

EXHIBIT 8

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LAC DU FLAMBEAU
BAND OF LAKE SUPERIOR CHIPPEWA INDIANS
MEETING MINUTES OF JANUARY 2, 2008,
SPECIAL TRIBAL COUNCIL
FEDERAL DEVELOPMENT CORPORATION
AND ECONOMIC DEVELOPMENT CORPORATION

1 Vicki Doud: I am calling this meeting to order
2 under the auspices of the Tribal Council, the Federal
3 Development Corporation, and the Economic Development
4 Corporation.

5 I would like to run this meeting in an orderly
6 manner and anybody that wants to speak must direct to
7 the Chair. If not, then you will be asked to leave.
8 I would like to have the Secretary call the Roll.

9 WHEREBY, Roll Call was taken.

10 It was noted that the following people are
11 visitors of the meeting: Brian Pierson, Attorney;
12 Bill Bayba, Partner and Friend; Kevin Shibilski.

13 Vickie Doud: And I guess I am going to ask the
14 help of Brian to lead us through this. Do you have
15 the meeting agenda?

16 BRIAN PIERSON: Thank you, Madame President.
17 Thanks for inviting us here today. If anybody gets
18 hungry, I brought bagels from Milwaukee. If you want
19 a mid-afternoon snack, they are over there with some
20 cream cheese.

21 "BROOKS" BIG JOHN: They are not like the old
22 Indian days where they brought stuff in small pots.

23 BEVERLY BAUMAN: Everybody is on their New Year's
24 diet.

1 BRIAN PIERSON: My understanding of the purpose
2 of the meeting is to address the bond issue, the way
3 it is structured and Kevin, who is a representative of
4 your underwriter, an opportunity to give his over
5 view. I have got your five resolutions that are
6 intended to accomplish the transaction.

7 The two principle resolutions that directly
8 relate to the bond are: One, a resolution from Lake
9 of the Torches Economic Development Corporation to
10 issue the bonds and a resolution of the tribe in
11 connection with guaranteed backing of the bonds. And
12 then there are three sort of subordinate resolutions.

13 Before we can get to the two bond-related
14 resolutions, we have to first do something that the
15 tribe has talked about for a number of years and that
16 is consolidate all of the operations of Lake of the
17 Torches under one entity. Right now, going back to
18 1995, it's been divided between Lake of the Torches
19 Federal Development Corporation, which is owned and
20 operated the casino and Lake of the Torches Economic
21 Development Corporation, which has owned and operated
22 the hotel.

23 Pursuant to the direction we have received and in
24 consultation with Bill Guelcher, we have also in

1 preparation for this transaction, prepared documents
2 that would transfer the assets of the Federal
3 Development Corporation that relate to Lake of the
4 Torches over to the Economic Development Corporation
5 with a view toward the Economic Development
6 Corporation hereafter having the control of Lake of
7 the Torches Casino, the hotel, hotel sasino, and the
8 Federal Development Corporation having its various
9 activities off reservation.

10 So what I thought I would do is simply read
11 through them. They provide overview of the
12 transactions, read through the resolutions. I thought
13 first, the three resolutions that accomplish the
14 transfer of the assets from the FDC to the EDC. The
15 reason for that order is simply that first the assets
16 would be transferred to the EDC and then the EDC would
17 actually be in a position to issue the bonds because
18 the principle security that the bond buyers requiring
19 is the revenue of Lake of the Torches and therefore,
20 it makes sense first to consolidate those operations
21 under the EDC before addressing the resolutions that
22 relate to the bond itself.

23 If that makes sense, I would propose that we just
24 start with the resolution of the FDC transferring the

1 assets of the Casino to the EDC and just read through
2 it and as questions arise, address those. Does that
3 make sense?

4 TOM MAULSON: One question before we get started.
5 These here corporations, does it require by corporate
6 law to have annual meetings before the stockholders
7 being able, in order to address these here types of
8 issues that we are talking about here today? Or
9 describe all the corporations that are going to go
10 forth here into the future?

11 BRIAN PIERSON: You know I have looked at the
12 articles and bylaws for both corporations. They are
13 rather short. They don't go into shareholder meetings
14 of the membership. They basically provide that the
15 Tribal Council is the Board and has the full power to
16 run the show.

17 As you recall, there were sort of clones back in
18 1995, Al Bachall (phonetic) formed them both, almost
19 simultaneously, and as best as I can reconstruct
20 because I am often puzzled on why there weren't two
21 corporations, as best as I can reconstruct, although I
22 was not directly involved at the time, the original
23 plan was actually to have the FDC have all the
24 operations, but the approval did not come back from

1 Washington in time, so as an interim provision in
2 order to do the financing, that at the time was a
3 \$10.7 million-dollar financing.

4 Al formed the Economic Development Corporation
5 under tribal law and then immediately transferred that
6 over to the FDC as soon as the approval came down.
7 But, Tom, there are no provisions in there for annual
8 meetings for the shareholders, basically the tribe,
9 and the tribal shareholders represented by Counsel
10 under those documents.

11 There is no annual meeting like you see for big
12 corporations.

13 TOM MAULSON: Right.

14 BRIAN PIERSON: There is nothing like that in
15 those Articles and Bylaws. Okay, the first one that I
16 am taking is entitled: Lake of the Torches Federal
17 Development Corporation, and then in parentheses
18 underneath it says: Approving 1) transfer of certain
19 assets of Lake of the Torches Economic Development
20 Corporation, and 2) borrowing the funds from Lake of
21 the Torches Economic Development Corporation, and 3)
22 local funds to Grand Soleil Natchez.

23 So this approves the transfer of the corporations
24 to the Economic Development Corporation, but the whole

1 transaction is complicated because it is the FDC,
2 which is the member of Grand Soleil, LLC and it is the
3 FDC that has committed itself to making this loan to
4 the LLC, Grand Soleil Natchez, LLC. So EDC is using
5 its money-raising power as the owner and operator of
6 the casino to issue the bonds. It has been,
7 immediately going to be the bonds to the FDC, which is
8 the member of the LLC. The FDC is using those funds
9 to make this loan to the LLC.

10 VICKI DOUD: We have a question from Rick.

11 RICK LINDSLEY: One question, I know Brian said
12 we are going into separate corporations here. I just
13 want to make sure these fall under whatever
14 corporation?

15 VICKI DOUD: Yes, I called the meeting to order
16 under the three.

17 RICK LINDSLEY: It's under all three at once?

18 VICKI DOUD: Yes.

19 BRIAN PIERSON: It's going to be joint and that's
20 because in order to do Step 1, which is consolidation
21 of the assets, we are actually going to need
22 resolutions.

23 RICK LINDSLEY: I just want to make sure from a
24 technical standpoint.

1 MURIEL FRALICK: I would like clarification as to
2 when the \$20 million got attached to the \$30 million,
3 that consolidation, who made that decision? And I
4 want some documentation as to the loan distribution,
5 where this \$20 million, if it gets approved, where it
6 is going to go? What loans that the \$30 million is
7 going to pay, and I don't see any security agreements,
8 I don't see any loan agreements. I don't see anything
9 here other than resolutions and we have four
10 resolutions placed before us at 3:30 and we are
11 expected to make a decision.

12 And also, one question: Can we do a part of this
13 resolution? Can we do the \$30 million dollars, that
14 consolidation without attaching the \$20 million dollar
15 loan? And let me tell you why. I feel that we don't
16 want to do the \$20 million dollar loan because we have
17 no guarantee of obtaining a Mississippi Gaming
18 License. I am not going to apply for that license,
19 and when I don't apply, the Tribe will not get a
20 Mississippi Game License.

21 So that's totally taken out of the picture and if
22 Council passes that and decides to send the \$20
23 million dollars down without any guarantees, Cato is
24 still in the picture, he has not been dissolved yet,

1 there is no bank -- the IRS is coming here on the 29th
2 of January to do an audit. If there is improprieties
3 that come up, maybe that will affect our application.
4 So I would like to see this not included as one
5 resolution. I would like to see it as a \$30 million
6 for a debt consolidation, and I would like to not see
7 the \$20 million.

8 BRIAN PIERSON: The part of that question that I
9 can address is on the documents that are mentioned
10 here that can distribute -- we mainly relied on your
11 underwriter and your attorney, Godfrey and Kahn, in
12 drafting. Of course, you can see the tribal secretary
13 has been cc'd on those. I have to say that typically
14 these types of transactions, the bond issuer, you
15 know, does rely on counsel for those, they are rather
16 technical, but it shouldn't be a problem making them
17 available to you. They are rather dense documents.

18 As far as the other items, I am going to let your
19 underwriter, I don't have that history, you know, when
20 we assume that the business decision to make the -- to
21 borrow the money and issue the bonds is made by the
22 client, and we sort of salute and prepare the
23 documentation.

24 MURIEL FRALICK: Okay, just to clarify something,

1 we -- most of us as Council people have not been
2 brought up to date on any of these. We have been
3 totally left out of the picture and then told at the
4 12th hour that you now want us to make a decision on
5 this. I think that's very unfair. We should have
6 been brought aware of this right from the start.

7 I am new to the Council, okay, I am not going to
8 be up to speed on everything, but not at the last
9 minute is this going in and expected to be (INAUDIBLE,
10 14:54). We have a lot of tribal members that have no
11 clue as to what the tribe is getting into. They have
12 not had a voice in this decision from Day 1, there has
13 not been a tribal referendum, and it's time that the
14 people have a voice and say. Do they want to put \$20
15 million more dollars into this tribe? Let them speak
16 up and say whether they want to or not. That's not
17 the decision for one or two Council people to make.

18 MYRON DOUD: It is my understanding that as we
19 had the referendum that both the \$500 million dollars
20 that Maulson created, to me that gives you guys the
21 authority to do anything you want basically, eh? I
22 mean --

23 BRIAN PIERSON: There are political questions.
24 and legal questions. On the legal question, I can say

1 that the bond buyers will ask for an opinion from our
2 law firm on the enforceability of the documents. And
3 assuming that Council approves it, we will give the
4 opinion because the tribal corporations, in fact, are
5 free from some of the requirements that are imposed on
6 the tribal government, and that's why tribes do form
7 corporations.

8 Even under Section 17 of the Indian
9 Reorganization Act, those corporations, and this tribe
10 has two of them, one of them dating back to 1937 and
11 one of them dating to 1995. It was the intention of
12 the Department of Interior to allow tribes more
13 flexibility in business, get them out from under the
14 constraints of government in their business dealings.
15 So that is the legal issues. These corporations do
16 have the legal ability.

17 We will put it to (INAUDIBLE, 16:49) we will put
18 it to malpractice limits on the line and say that.
19 The second question of accountability to membership is
20 something that as lawyers I can't speak to, that's
21 completely -- counting on you as leaders to satisfy
22 your constituents, so that's a separate issue. As far
23 as the flow of funds and where it goes, Kevin, I think
24 you can provide a better education of that.

1 KEVIN SHIBILSKI: Sure.

2 BRIAN PIERSON: Before you do that, Kevin.

3 VICKI DOUD: Carl?

4 CARL EDWARDS: Now with this -- when you guys
5 were doing that \$500 million, how many towns turned
6 you down? How many towns turned us down, 36, 38? I
7 think (INAUDIBLE, 17:30) can give you an answer to
8 that one. He was always telling me it was 36 or 38
9 towns.

10 JOHN BROWN: It was quite a few.

11 CARL EDWARDS: It was quite a few towns that you
12 guys went to, to try to get a casino and there is
13 still one sitting out there. The other question I
14 have is since Muriel is not going to submit the gaming
15 application for Mississippi, what is in the best
16 interest of the tribe, perhaps you can answer or Rick
17 can, with this loan, is it worth more -- will we try
18 to make more money going out and selling it then,
19 since we are not going to be able to get it because
20 Muriel is not going to submit.

21 Is it worth more, like getting this loan and
22 selling it or is it going to hurt by not getting the
23 loan, and try to sell it or get out of it that way? I
24 guess that's my other question.

1 BRIAN PIERSON: Should I start with a little
2 history and then get in --

3 CARL EDWARDS: Sure.

4 VICKI DOUD: I think it would be worth it to go
5 through the operations.

6 KEVIN SHIBILSKI: Thank you, Madame President,
7 greetings to Members of the Council. I am here on
8 behalf of Stifel Nicolaus. We are privileged to have
9 been hired by you back in July after a very
10 competitive process to pursue a debt in the form of
11 refinancing your existing debt and new monies for your
12 casino project in Mississippi.

13 The structure actually was the same. They were
14 hired although the borrowing is smaller now than when
15 we were hired originally. You were looking to seek
16 closer to \$60 million dollars, and the proposal
17 according to today is \$50 million dollars.

18 It always has been a two-part structure. It
19 always has been existing debt, refinanced with new
20 monies and lent with positive arbitrage to the project
21 in Natchez, which you essentially have. That's always
22 been a structure that we have been pursuing on your
23 behalf. There was also extra fee of a million dollars
24 tacked on it that you paid for assisting and securing

1 the debt so a positive arbitrage, which is greater
2 interest than you're paying going back to the tribe as
3 well as a million dollars. That was the structure
4 that we were given to take to the debt markets
5 beginning in July.

6 You had asked us to try and finish that project
7 by November or December and we failed in that
8 timeframe, we took a little longer than expected, I
9 apologize for that, and take responsibility. The debt
10 market has been jolted in the last six or seven months
11 so it just took longer to create a competition in the
12 bond market to provide you with the options you need
13 to do a wise financing.

14 It has always been structured that way, that's
15 what they want. There has always been existing debt
16 and new monies in this bond thing. I can tell you
17 that. And to get to Carl's question, I think,
18 probably, you should ask that of your partner, Mr.
19 Bayba, or Rick. There is no question that the further
20 along a project is, the greater the return to value is
21 for sure, but I think I should speak to the bond
22 issuance and not to that kind of a tactical question.
23 Should he answer?

24 CARL EDWARDS: Rick, can you answer or should I?

1 RICK LINDSLEY: I will let (INAUDIBLE 21:06).
2 The question is: Do we try to set up a (INAUDIBLE
3 21:11) account or do we go ahead, get it built to a
4 certain level, and then sell it. I think it probably
5 makes more sense to continue with the construction at
6 this point rather than to stop and trying to sell it
7 as it is.

8 CARL EDWARDS: So it is worth more to the tribe
9 if it goes further and then we sell our interest
10 because we are not going to be gaming in Mississippi?
11 It is worth more to the tribe by getting the loan and
12 continuing this and then selling it? As opposed to
13 stopping it now and then a risk of it sitting there
14 and us losing more money?

15 RICK LINDSLEY: Right. Correct.

16 VICKI DOUD: Mike.

17 MIKE CHRISTENSEN: Went in back of what Muriel
18 was talking about. She said she never seen a contract
19 and reading back, I would like to see a contract. I
20 have never a contract; with all this casino business,
21 I have never seen one contract. Muriel is on the
22 right track, you have got to have a contract before
23 you sign it. Nobody recalls having ever seen it and
24 what's the purpose of signing a contract and putting

1 us further in debt when no one has had a chance to
2 reach the contract? Everyone is talking around the
3 contract, but nobody is discussing the contract.
4 What's in it? What's our liability? What's going on
5 with, that's what I would like to see, before we spend
6 any more money.

7 VICKI DOUD: Muriel?

8 MURIEL FRALICK: I would like to ask Mr. Bayba to
9 please put that in writing, a guarantee to us, that we
10 are going to -- if we invest \$20 more million that we
11 are going to make more money than we will make
12 tomorrow. Would you please put that in writing, sir?

13 BILL BAYBA: You want me to put that in writing?

14 MURIEL FRALICK: Yes, a guarantee.

15 BROOKS BIG JOHN: I guess we are getting down to
16 some things we really need to talk about here a little
17 bit. Maybe putting the Board into shape by just
18 taking the time to come in tonight to appreciate the
19 comments I have heard so far, but really got to look
20 at what they call disclosure.

21 You know, piece the information, being informed
22 to make educated decisions. From Day 1, I know, maybe
23 it's my fault, maybe' it's Muriel's fault, but other
24 members of the Council, I just wonder how much they

1 are informed of this project. When you see things
2 like what happened last Friday that are purposely done
3 to go around the Treasurer, and it puts a sour taste
4 in my mouth, it kind of leads you to mistrust and
5 doubt. Like this morning, I just called chaos.

6 You know we are never going to get out of that
7 boat. We are never going to get anywhere positive if
8 we don't come to a resolution or if we don't come to
9 an agreement. The only way I think we can come to
10 agreements is if the Council in its entirety is
11 informed as Mr. Christensen was saying. I don't want
12 the onus on myself. I would like to have them hear
13 the voice of the people. I think once we get back to
14 that we get away from creating self-doubt and second-
15 guessing and chaos.

16 You know, we don't need to go at approaching
17 business at 100 miles an hour and I think when they
18 made the decisions to get away from informing the
19 people, and then using the people as a crutch, so to
20 speak, I think that was a terrible mistake. I think
21 we need to get back to that. I am not here to
22 campaign, you know, I am done. I am just speaking
23 from my heart. Some of these things did come to us
24 here at the 11th hour. I got the chance to take them

1 home and read them for a little while before I had to
2 come here, but for me to sit here and make a decision,
3 gentlemen, in all due fairness, with my colleagues
4 here and my children that I look after each and every
5 day, I can't sit here and rationally say that I
6 support some of these things.

7 I like the question that Muriel asked when she
8 asked if we could bring this resolution down to two
9 parts because I do believe we need to consolidate our
10 debt and I do believe we need to borrow this money to
11 get us out of this trouble that maybe a great part of
12 the Cancun boat deal put us in. And I don't know who
13 was part of that but some people in here do know who
14 part of it was, when you look at bringing in the
15 people for considerations, I always think that 10
16 minds are better than one or two.

17 So without total disclosure, I just feel at a
18 loss here. I feel insecure having these placed in
19 front of me for this meeting, having to read them,
20 having to understand them and having to put my tribe
21 in debt to the tune of this amount of money, it makes
22 the hairs on my neck stand up. I appreciate you guys
23 coming here, but this is just how I feel this
24 evening. Thank you.

1 MYRON DOUD: I got one more question.

2 VICKI DOUD: Myron?

3 MYRON DOUD: Listening to Brooks, probably I got
4 two questions asked of me. So once we bind this
5 question, suppose we consolidated all our loans,
6 what's the worst that could happen if we defaulted on
7 payments?

8 BRIAN PIERSON: Well, the combined owners would
9 levy on the security which is the casino revenue and
10 depending upon, and I may not calculate -- do this too
11 because I am consciously thinking as I am talking this
12 out. Depending upon whether any of the casino revenue
13 was marketed for public government services, there
14 could be a cut-back in government services if there is
15 enough of a bill to be christened, you know, the
16 consequence would just be that, you know, you pay a
17 certain percentage of casino revenue to service the
18 debt.

19 MYRON DOUD: But would we have new management?

20 BRIAN PIERSON: I believe the bond document
21 provides that in the event of a non-payment the tribe
22 has the responsibility to consult with them about new
23 management, all kinds of bondholder rights kick in
24 when there is a default.

1 KEVIN SHIBILSKI: Right, yeah, yeah, in case of
2 default, of course you need to avoid it; it would
3 wreck your credit. The longer consequences would be
4 probably worse than the shorter consequences and it's
5 to be avoided at all costs and that's why it is
6 important to crunch the numbers to make sure that
7 Central Governmental Services are not even threatened
8 by the pledge in the cash-flow analysis.

9 But yes, in the event that the tribe would
10 default, all kinds of nasty things would happen. I
11 mean that's true of any financial transaction. If you
12 don't make the payments and default, they want their
13 money.

14 MIKE CHRISTENSEN: Would they take over?

15 MYRON DOUD: Okay, my second question, wait a
16 minute, would they take over every operation that the
17 tribe owns for credit?

18 VICKI DOUD: Myron, you are out of order.

19 MYRON DOUD: My second question is to Brooks and
20 what you are talking about. Mr. Brooks, here is a
21 question for you: How would you feel that when we
22 rescinded that \$500 million dollar referendum we had,
23 how would you feel about that, would you vote for
24 that?

1 BROOKS BIG JOHN: Sure would, in a heartbeat.

2 MYRON DOUD: So would I.

3 BROOKS BIG JOHN: Then we ought to look at the
4 referendum tomorrow morning. I think we should call a
5 special meeting for that so it is not a knee-jerk
6 reaction as it is right now. I think we should have a
7 special meeting to that effect, Myron. Maybe we
8 should go ahead and inform the people just as to what
9 the resolution means.

10 MMYRON DOUD: I am thinking about -- what I am
11 thinking about now is I am thinking about the next
12 election.

13 VICTORIA DOUD: Well, I am thinking about, you
14 know, my grandchildren; they're at home here, their
15 children, my own children. I am thinking about the
16 child wanting to move ahead instead of staying in one
17 place trying to preserve my income, trying to get more
18 income so that we can buy the better quality of life
19 for tribal members, that's what I am thinking about.
20 You get so far and then it's that (INAUDIBLE 30:37)
21 you don't want to get pulled down, all the former
22 Executive Board (INAUDIBLE 30:47) did a rigorous
23 background check that was done by an agency and we
24 were very -- we went through -- no problem.

1 Mr. Cato, there were problems there. I think we
2 are holding the LLC or something, the corporation
3 (INAUDIBLE 31:11) but this project has been going on
4 for, I am not sure, a couple of years, and it's been a
5 good relationship, especially with Mr. Bayba, who has
6 been -- it's been two successful operations, the hotel
7 in Green Bay and Stevens Point.

8 I feel very safe in working with him and this
9 project would provide us with extra income needed to
10 provide with our people and to see it all for nothing
11 at this point in time, it's a sad thing, and I really
12 have no desire to see it, that's my opinion. Mike?

13 MIKE CHRISTENSEN: I understand what you are
14 saying, Vickie, but you got to go back, look at how
15 many deals we started off with Shullsburg how we got
16 ripped on that by jumping at the gun at the 11th hour.
17 All the way down the line we have had nothing but
18 failures.

19 I applaud you here for what you did with Stevens
20 Point and the Green Bay with the hotels and on the
21 other hand you guys are sitting here at the 11th hour
22 with no attorneys present to advise you what you guys
23 are getting into. Never seen a contract, you got two
24 attorneys sitting here who want to make their money.

1 You know this guy want to make his money and we as
2 tribal members are sitting back here taking the brunt
3 of everything.

4 I would suggest you guys take it back for a
5 little bit and say, wait a minute; we are going to die
6 anymore if we don't get the Natchez deal. None of you
7 will drop dead. Like he was talking about, if you
8 guys were to default on your bank loans, they are
9 going to send a company to take over every damn thing
10 we own and they are going to run it and pay us what
11 they feel like paying us, that's where they are not
12 telling you the truth.

13 I sit down with other lawyers constantly, go
14 right other things with lawyers constantly; you just
15 don't take something and say we will spend \$20
16 million. No, you take the contracts and look at them;
17 we get our own attorney's approval or disapproval,
18 whatever, the pitfalls. We all know what we vote on,
19 apparently nobody knows what they are voting on right
20 now, it's now the Council's problem.

21 The guy either stops, sits back, takes a look,
22 listens, like Muriel said the 11th hour, you are
23 dropping all these contracts on us. I don't
24 understand all the resolutions but I don't have the

1 opportunity to look at all the resolutions, but yeah,
2 what you are saying doesn't make some sort of sense.
3 But jump in there and get another failure, I have
4 watched \$50,000 go out at Shullsburg, now we own land
5 at a mine that we can't do nothing with.

6 I think it's time we stop, sit back, and take a
7 look at it and quit looking at the lawyers. Bring in
8 your own attorneys that are going to tell you whether
9 it's a good deal or a bad deal. These guys want to
10 make money just like I do, they got to sit there and
11 chat.

12 VICTORIA DOUD: I would like to say that this
13 isn't the 11th hour. We have been working on this
14 second consolidation for -- we have been waiting for
15 it, in fact, for --

16 MIKE CHRISTENSEN: I don't recall getting a copy
17 of the contract to sit and read.

18 VICTORIA DOUD: -- we don't know -- I guess who
19 doesn't --

20 MIKE CHRISTENSEN: It's like we have this casino,
21 Vickie, built. Tom also didn't look at the contracts.
22 Tom never signed them. It was your signature and
23 Brooks signature on all the contracts that had built
24 this. We couldn't find out where the money went or

1 anything and I don't want to see us get back into
2 something we had over here where the first five years
3 all the money has gone to the investor and we are
4 stuck with nothing.

5 VICTORIA DOUD: No, I don't think that's the way
6 it is going. We have a return on our investment.
7 Would you please help me with that, Rick?

8 MIKE CHRISTENSEN: Actually, Kevin can state --
9 Stifel Nicolaus listed all the projections on this so
10 Kevin, if you want to --

11 VICTORIA DOUD: That's what we are going with;
12 the debt consolidation and we are investing, investing
13 in our future, Steve. If you don't want to move
14 forward, if you want to stay put, you know, then
15 that's your position.

16 MIKE CHRISTENSEN: But your debt consolidation is
17 facing you right now. You are looking at debt
18 consolidation, Vickie. Your corporation will come in
19 with a Casino Smoke Shop, everything --

20 VICKI DOUD: You are out of order. Mr. Shibilski
21 has the floor.

22 KEVIN SHIBILSKI: I appreciate the importance of
23 keeping the Council updated. We were here at least
24 three different times to continue to update the

1 Council on the progress we are making as well as to
2 reaffirm the ongoing structure and the intent of the
3 borrowing. I think we have had good, we always can
4 improve if there has been any short-comings in
5 information, I apologize, but we have certainly gone
6 out of our way to be here many times to provide all of
7 the information to the Council as well as the analysis
8 of the proposed borrowing.

9 Our analysts look at your existing cash flow as
10 well as the projected cash flow of your investment in
11 Natchez and it is all of that that's securing the bond
12 buyer who is willing to invest as your partner,
13 essentially, in that operation, because they believe
14 that it's a sound investment. The projected cash flow
15 available for that service, after you paid all your
16 expenses on your project in Natchez, Mississippi, the
17 first year, the whole operation, not a partial year,
18 in '09 is around \$18 million dollars.

19 Your debt service is about half that, so in your
20 first full year of operation, there is substantial net
21 cash flow available that you have to decide what you
22 are going to do with. If you are going to pay off
23 your debt faster, that's within, but from a business
24 analysis perspective, this has been looked at very

1 closely, by not me, but very smart analysts that are
2 helping you crunch the numbers and we want to make
3 sure that they and the person buying these bonds,
4 imagine somebody is actually buying these bonds for
5 \$50 million dollars.

6 They are concerned and everything has to work,
7 too, so they have been looking these past months to
8 make sure those numbers make sense. And the analyses
9 that they have done, the analyses that your analysts
10 have done and that others who bid on this debt package
11 have done has given them reassurance.

12 Is there a risk? No question. There is always
13 risk in a business venture, but there is substantial
14 positive profit margin in your operation in
15 Mississippi and that's what's given the debt that the
16 bond buyers comfort here. So there is no question
17 about that.

18 VICKI DOUD: Jeannie?

19 JEANNIE WOLFE: This morning, what was the name
20 of the gentleman on the phone? On the conference
21 call, Mr. Pierson, he said in that conversation that
22 the LDF Industries and the other corporations that
23 have gotten into these projects or ventures, those
24 individuals would be responsible for the failure of

1 the projects and not the tribe itself; is that
2 correct?

3 KEVIN SHIBILSKI: I just want to speak to the
4 second component, the Redunning Component, Brian, you
5 can speak to that, too; it's secured debt. You are
6 not lending it with a handshake. You're grabbing
7 liens on everything you can which is substantial. You
8 have real estate, you have projected cash flow, you
9 have guarantees, personal guarantees, if that's what
10 you are getting at the answer is the portion of the
11 debt you are proposing to relend to yourselves and to
12 your partners is secured debt. So should there not be
13 sufficient funds, you have recourse.

14 BRIAN PIERSON: You are talking about the loan
15 being made by the FDC to the LLC?

16 KEVIN SHIBILSKI: To the LLC, that's right.

17 BRIAN PIERSON: Is that your question or is that
18 a separate question? It's true that when the tribes
19 form these separate corporations any liability is
20 limited for those corporations, so to that extent, for
21 example there is no tribal trust property, there is no
22 land (INAUDIBLE, 40:02) of looking to the cash flow of
23 the casino for that repayment. They looked at the
24 history of that and that's what persuaded them to loan

1 a million dollars and so that's why the EDC, which is
2 going to be the owner of the casino, is the one
3 actually issuing the bond.

4 Issuing the bond basically is (INAUDIBLE 40:28).
5 What is true, is a legal principle that when an entity
6 forms a separate corporation, the owner of the
7 corporation is not liable for those debts, just the
8 corporation is unless there is a guarantee. So in
9 this case, for example, the bondholders are asking for
10 a guarantee from the tribe and certain commitments
11 from the tribe, but the borrower will back the EDC.

12 VIRGINIA CHOSA: Who provides the bond?

13 BRIAN PIERSON: The bond will be issued by the
14 Regulatory Economic Development Corporation and they
15 purchased it by the company, this investor which means
16 a purchaser is like a lender in the bond world, it's
17 just different terminology. The purchaser of the bond
18 lending money, the issuer of the bond is the EDC,
19 which is borrowing money.

20 VICKI DOUD: The next question I have is from
21 Virginia.

22 VIRGINIA CHOSA: I was just wondering when you
23 mentioned that we're trying to make money, I would
24 like to know how much money we have already? Is there

1 any answer to that? On all of our projects starting
2 from Shullsburg on up or even before, are we
3 eventually all going to become millionaires like the
4 other reservations?

5 VICKI DOUD: I don't know if we are going to be
6 millionaires, but we are hoping -- certainly we are
7 hoping to budget in our own tribes and that it will be
8 worth it (INAUDIBLE, 42:12).

9 Shullsburg is still pending, the ones that we do
10 have are Stevens Point hotel operations and Green Bay
11 hotel operations. We won't see any income from that
12 until they start operating for a while before we see
13 any actual income. We've gotten a little bit from
14 Stevens Point.

15 But we are trying to move ahead and we try to be
16 a progressive tribe. We don't want to be sitting back
17 while the world is moving ahead of us.

18 VIRGINIA CHOSA: But by moving ahead it seems
19 like we are getting further and further in debt. Now
20 you want to debt consolidate \$30 million dollars.

21 VICKI DOUD: We have to consolidate that debt so
22 that we can move ahead.

23 VIRGINIA CHOSA: That doesn't sound like we are
24 moving ahead.

1 VICKI DOUD: Muriel was next.

2 MURIEL FRALICK: I have several questions. Mr.
3 Shibilski speaks of analyses, paper analyses, all
4 these different groups; where is this analyses? Can
5 you give it to us that we can read and understand?

6 KEVIN SHIBILSKI: We handed it out at previous
7 meetings. I can make additional copies and get them
8 out to you, sure.

9 MURIEL FRALICK: Okay. And then, Mr. Pierson
10 speaks of a guarantee, they want a guarantee on this
11 loan from the tribe and certain commitment, I mean,
12 everything is certain -- there's no definitive. What
13 are the commitments? They want all of our money?
14 They want all of our slot machines? What do they
15 want? Why are you saying 'certain commitments'?

16 Is that where we are at? There is nothing
17 definitive with that? Just a minute, I am not done.
18 You also spoke of a million-dollar fee that is
19 attached; I would like to know who is getting that
20 million dollars.

21 KEVIN SHIBILSKI: Oh, I wrote that up.

22 MURIEL FRALICK: Okay.

23 KEVIN SHIBILSKI: You get the track list.

24 MURIEL FRALICK: It's the million-dollar fee, and

1 who are we getting that from?

2 KEVIN SHIBILSKI: From the Grand Soleil, LLC.

3 MURIEL FRALICK: And when are we getting that?

4 KEVIN SHIBILSKI: At the time of refinancing.

5 You created incentives in the structure of your loan
6 to get them to refinance -- half of it is you but to
7 get that entity --

8 MURIEL FRALICK: So we need to borrow \$20 million
9 so they will give us a kick back of \$1 million?

10 KEVIN SHIBILSKI: Many more millions than that --
11 you have a 1.5 percent positive arbitrage, so you may
12 get something like \$3 million a year.

13 MURIEL FRALICK: Some day?

14 KEVIN SHIBILSKI: No, no, no immediately.

15 MURIEL FRALICK: We don't have any guarantee of a
16 license, sir

17 KEVIN SHIBILSKI: I can't speak to that.

18 MURIEL FRALICK: I mean, how can we make money if
19 we have no license?

20 KEVIN SHIBILSKI: The project would kick off \$3
21 million a year for the tribe.

22 MURIEL FRALICK: If we have a license, right?
23 And if we continue to be a part of this project,
24 right?

1 KEVIN SHIBILSKI: Right.

2 MURIEL FRALICK: One other question. We wired
3 \$70,000 to Saybrook (phonetic) to secure a bridge loan
4 of \$2.856 million dollars, \$2,856,000.00. We wired
5 Saybrook \$70,000 on December 11th. That loan fell
6 through. Saybrook could not give us that loan because
7 of bank positioning? Are we going to be reimbursed
8 that \$70,000 from Saybrook because they could not
9 follow through with it?

10 KEVIN SHIBILSKI: The \$70,000 had nothing to do
11 with the interim financing. The interim financing fee
12 was going to be \$56,000. \$70,000 is for this bond
13 purchase for the \$50 million dollars. It had nothing
14 to do with the \$2.8 million dollar interim debt.

15 MURIEL FRALICK: Excuse me, but we were told -- I
16 was told when I questioned it that this had nothing to
17 do with that, this was money that had to be mailed to
18 Saybrook for that bridge loan.

19 KEVIN SHIBILSKI: Not for the bridge loan, for
20 the bond purchase, for the \$50 million dollars.

21 MURIEL FRALICK: So are we still -- do we still
22 have to mail the additional \$80,000 to them, then,
23 for this bond?

24 KEVIN SHIBILSKI: Yes, I should answer Brooks

1 question from earlier. This is a single bond issue of
2 \$50 million dollars that we worked the past 5 months
3 to put together and we bid it out. It's not like a
4 bank loan where you can take part of it. We
5 identified, we sold these bonds, \$50 million dollars
6 worth of bonds.

7 We identified a buyer for these bonds and so
8 there is no sort of halfway. And the fee to Saybrook
9 is part of the agreement with them to cover their
10 expenses for the purchase of the \$50 million dollars
11 for the bonds.

12 MURIEL FRALICK: Okay, and we also talk about
13 some LOC, the purchaser is by investors. Investors,
14 we have no names, we don't know who is buying our
15 bonds -- we don't know who?

16 KEVIN SHIBILSKI: No.

17 MURIEL FRALICK: Will we ever know?

18 KEVIN SHIBILSKI: No. The links are -- it's
19 Saybrook, I mean that's but who they are as
20 underwriters Saybrook, Nicolaus -- a bond is package
21 unit. It's no different than a loaf of bread. It's
22 debt and you sell it on the marketplace and it's
23 really not the concern of the debt issuer other than
24 the terms and the conditions of that issuance who buys

1 it. Whoever wants to buy it in the marketplace is
2 buying units of debt and that's what a bond is. It's
3 sold in the marketplace, whoever wants to step up and
4 buy that bond. Lots of people have it in their
5 investment portfolios.

6 MURIEL FRALICK: So where is our security that
7 maybe the Mafia isn't going to come in and buy our
8 debt, then? Here we are out the door because we are
9 gaming facility -- somebody that cannot have any links
10 to the Mafia?

11 KEVIN SHIBILSKI: We identified the single buyer
12 of all \$50 million dollars of bonds and it's a
13 reputable entity.

14 MURIEL FRALICK: How do we know this? Just by
15 what you are saying?

16 KEVIN SHIBILSKI: Exactly. We are heavily
17 regulated, FDC regulated, government banking.

18 END OF TAPE 1 - SIDE A

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TAPE 1 - SIDE B

BROOKS BIG JOHN: Let's get the horses in front of the carts where they belong, not as we are going about it now, put the cart in front of the horse. If we have no gaming license, you know, we have nothing, we don't get it. I hear you saying we can make some money. I think maybe we can't do it. I don't want to be a deal killer if it is a good, sensible business plan and everything's on the up-and-up and if the counsel has fully disclosed and if our people are disclosed, then there are no arguments.

We go forward in totality and the total agreement, there are no fights, there are no arguments, when are we going to get there? That's all we need to get back to. The fight can be squashed simply by informing us other Council members, getting us on board with all of these things.

Muriel has a question and is worried about, that's what I talk about, full disclosure. We are still constitutionally bound, whether I hear otherwise or not, because I wear this hat as a Council member, because I wear this hat as a corporate officer. We are still bound to that constitution. I don't care what anybody tells me. I believe that and I will go to

1 my grave believing that. You know, if Jeannie has
2 questions about this casino over here and our revenues
3 that are up for grabs, not only up for grabs today,
4 they are up for grabs for the rest of our lives until
5 the debt is paid.

6 The building and the land are held in trust; we
7 cannot touch that as Mr. Pierson pointed to. My
8 research tells me the same thing. You know, I got a
9 question for you, Myron, since you had one of me. How
10 did we go ahead and invest into this XIT back to the
11 motel deals without a referendum?

12 This didn't have to do with that \$500 million-
13 dollar gaming resolution. When we take that onus up
14 to Council and off my shoulders, I can feel a lot more
15 comfortable in making decisions when the rest of my
16 colleagues on the Council can say, hey, yeah, let's
17 all -- this sounds like a good deal.

18 Not just a couple, but when I hear from everybody
19 that tells me they put some thought into it and they
20 feel comfortable with it and I know they are looking
21 out for their kids and grandchildren, too. And
22 finally, when we go to the people and we hear how
23 positive -- the men, then everything goes through. It
24 may take a little while longer, but so what?

1 Thank you.

2 MYRON DOUD: You asked me a question, though,
3 what was the question?

4 BROOKS BIG JOHN: How did we invest in these
5 other companies that were non-gaming without a
6 referendum? Since that referendum that you are
7 talking about, that \$500 million-dollar licensee,
8 that's the question.

9 MYRON DOUD: Probably started in executive
10 session and everything was getting put together in the
11 packet and then bring it to the rest of the Council.

12 MYRON DOUD: But, hey, you are right. We should
13 have had a referendum on this.

14 VICKI DOUD: Garret Christensen?

15 KEVIN SHIBILSKI: Just a quick response. I
16 should defer a question regarding Natchez to Mr.
17 Bayba, absolutely, to Mr. Lindsley and I will focus on
18 the bond issue. You had a lot of good questions that
19 Mr. Bayba and Mr. Pierson can answer regarding the
20 status of the Natchez project. I am not here to talk
21 about our role, I am here to talk about the bond
22 issue, which you hired us to do a few months ago.

23 VICKI DOUD: Tom?

24 TOM MAULSON: I got a couple of questions and one

1 of them is to (INAUDIBLE 4:15) maybe I need to hear
2 some explanation far more than what you explained here
3 in reference to the economy that we are supportive of
4 the fact that we needed a -- your company was, I
5 guess, bidding for the best price to do a consolidated
6 loan for the Tribe.

7 My question would be how did we attach this here
8 additional rider and why did we do that? Let me
9 finish because I believe I was supportive of the fact
10 that we needed to consolidate these funds so that each
11 and every one of these loans, when they come due, that
12 we make sure that we have ample dollars in order to
13 secure those loans, and that was -- I guess that was
14 the clinching statement.

15 What I heard is we need to do that in order to
16 make things happen. I believe that Mr. Lindsley
17 indicated that we were out there looking for
18 additional dollars, where we had investors to do the
19 Natchez deal. And all of a sudden it feels better
20 than the \$20 million-dollar rider on top of a \$30
21 million-dollar consolidated debt that we were going,
22 you know, consolidate.

23 Take the pressure off on how we were going to pay
24 back here some of this debt. Maybe someone can

1 explain this to me. Why we went that route? I mean,
2 do we have no investors out there that can pick up the
3 \$20 million dollars to buy into this venture or -- I
4 mean, because I have heard a lot of things, even at
5 Tribal level indicating that it will be all ours.
6 Hopefully, it will be down the road.

7 KEVIN SHIBILSKI: From Day 1, we were hired to
8 look at maximizing the borrowing opportunity to do
9 both. I don't know what happened before that, I can't
10 speak to that, but when we were hired it was to seek
11 actually the original number was bigger than that, I
12 think it was \$60 million dollars. It was scaled back.
13 It was always a single borrowing with two purposes in
14 mind, vaguely you are right. All that happened, and
15 how that came to be that's probably it's a question of
16 your partners at Natchez. We were hired initially to
17 borrow with loan purposes.

18 RICK LINDSLEY: That was back in '80.

19 KEVIN SHIBILSKI: That was always that and every
20 time we updated the balance on the status of our
21 efforts, it was with both of those borrowings in mind.
22 I really want to be clear, nobody has been trying to
23 hide the nature of this borrowing from anybody and we
24 have been here many times, me personally and others

1 from the firm, at least three times, I should say, but
2 several times to update the Council on the status and
3 the purpose has never changed. I mean it hasn't
4 changed once other than reducing the borrowing. It is
5 smaller now than it was intended to be original.

6 TOM MAULSEN: Did we have a guy here that had the
7 \$50 million dollars that he was going to put up?

8 RICK LINDSLEY: That's gentleman that -- purpose
9 from.

10 TOM MAULSON: He was going to secure that part of
11 that loan? Part of the Natchez loan, ain't that
12 right, Bill? He was an older gentleman that we met;
13 Carl, who was that guy?

14 KEVIN SHIBILSKI: Oh, that was before my time. I
15 think you might be talking about Raul (phonetic),
16 maybe? That was before my time.

17 CARL EDWARDS: The guy within the last 6 months?

18 TOM MAULSON: Yeah.

19 CARL EDWARDS: He came up here that was Saybrook.
20 That's was the guy.

21 TOM MAULSON: Huh?

22 CARL EDWARDS: That was the guy from Saybrook.
23 He came up here -- that was him. I believe two months
24 ago or a month-and-a-half ago he came up here.

1 TOM MAULSON: You and I were there. They had a
2 gentleman that was in the front - mapped a portion of
3 that instead of the tribe taking the hit for that
4 portion of the gaming dollars.

5 RICK LINDSLEY: You are thinking of Turpin.

6 TOM MAULSON: Turpin.

7 RICK LINDSLEY: That was back in --

8 TOM MAULSON: Oh, Doherty was part of that.
9 Doherty was going to be the other investor. It was
10 going to be not only Doherty but the tribe, Mr. Bayba
11 (phonetic) back there.

12 RICK LINDSLEY: Let Kevin tell you what the terms
13 are.

14 TOM MAULSON: Maybe we need to -- I mean, that's
15 what I am trying to say: how did we get another
16 Doherty or whatever? I would have taken -- we
17 probably wouldn't be here today. We'd only be looking
18 at consolidating a loan that we need in order to take
19 care of a debt that's out there.

20 KEVIN SHIBILSKI: May I answer?

21 TOM MAULSON: Sure.

22 KEVIN SHIBILSKI: Doherty is a company that
23 actually -- it pieces out its loans to a variety of
24 community banks around the country. And Turpin was

1 going to be the participant in that participated
2 lending. They actually ordered much, much more, but
3 it wasn't an investor, it was a loan. It wasn't a
4 bond it was a loan. Dozens and dozens of banks were
5 going to each take a piece of that.

6 That was the arrangement under Doherty's
7 proposal. And they ended up, who knows the real story
8 behind their not getting the entire rate, it was \$75
9 million dollars, they came close, but didn't get it
10 all. But it was not an investor these were banks who
11 were trying to do more than \$50 million.

12 They were trying to do -- was it \$70? \$70
13 million dollars worth of borrowing, but it was the
14 same structure. And I want to be clear, too, about
15 the pledged revenues. That's nothing different than
16 what you currently have pledged now. Nobody is asking
17 the tribe for collateral beyond what is used in your
18 daily operations for the variety of loans that have
19 come up over the years.

20 VICKI DOUD: Myron?

21 MYRON DOUD: A question for you, Muriel, let's
22 say I went along with the deal, what would the per
23 capita -- what would happen to the per capita?

24 MURIEL FRALICK: If we went along with the \$50

1 million?

2 MYRON DOUD: Yeah.

3 MURIEL FRALICK: I don't know. I don't know how
4 we would pay that back. You would have to ask
5 somebody smarter than me, probably Rick Lindsley, he
6 has it all down as to where it is written, but
7 however, if we weren't in some kind of trouble
8 financially, do you think we would be doing a debt
9 consolidation? Do you think that we are just doing
10 that because we want to pay a higher interest rate
11 than what we have on some of these loans? No. To me,
12 debt consolidates when you are in trouble, but that --
13 I am just a layman.

14 VICTORIA DOUD: As such. Debt consolidation
15 would help the tribe.

16 MYRON DOUD: My question is: How did we get \$30
17 million dollars in debt anyways? That's the question.
18 We knew that we were \$30 million dollars in debt but
19 there is no paperwork to show how we got into debt
20 other than jumping all over the country looking for a
21 casino.

22 VICTORIA DOUD: We have already done all the
23 construction and renovation of the boat, the gambling
24 boat and (INAUDIBLE, 12:43). In fact, last Friday

1 workers hadn't been paid and almost didn't come back
2 to work but that's from (INAUDIBLE 12:98) through that
3 wire.

4 MYRON DOUD: I remember that Vickie, because that
5 happened --

6 VICTORIA DOUD: I prepared that at that time.
7 Muriel has provided that information after the fact. I
8 took very -- precaution with the money that was
9 invested in it and which treasurer not (INAUDIBLE,
10 13:34) background checks that the rest of us were
11 subject to. I am concerned that we have a system that
12 is going to work. The treasurer doesn't apply for the
13 gaming license.

14 BRIAN PIERSON: I don't know if we have to
15 research the issue. Just like to say a couple of
16 things. I feel badly about this because it's not
17 really true that all I care about is the fee, yes, I
18 do, to make my living, but I do see that people on one
19 point of view are generally concerned for the best
20 interest of the tribe, they are concerned about the
21 risk.

22 Other people see this as a great opportunity,
23 risk is rewarded. If you don't take the risk, you
24 generally don't get a reward. But of course these

1 questions are understandable. Rather than harm my
2 relationship with this tribe, this fee, I don't care
3 about this. I have worked with this tribe in 1990 and
4 my first involvement was with a very contentious,
5 long-term and not lucrative civil rights case, so I
6 feel very close to this tribe.

7 Normally, when we get involved it's because the
8 political leadership has already made a decision that
9 this is what they are going to do. And Kevin, I am
10 sure feels the same way sitting here, it's like we are
11 involved now in a meeting about whether this is a good
12 business decision, and kind of, you know, our
13 involvement as bond counsel is really outside the
14 scope.

15 I understand are concerned about risk and now
16 what comes to my mind is what are the options now if
17 the truck is full what happens to the amount that has
18 already been invested in Natchez and going forward,
19 what are the options? But people should feel
20 comfortable with their real counsel projectory is at,
21 that we do have an ethical duty of loyalty and I
22 personally feel a strong sense of commitment to the
23 tribe and we have -- we circulated documents at the
24 end of November.

1 And we do, usually, it's true, we usually do
2 work with, you know, a development team because they
3 are complicated. If I started a real team here, your
4 mind would go numb, and I rely on Tom Griggs, he's my
5 law partner who is in the Black Book of Bond Counsel.
6 There aren't a lot of people in that; that's a very
7 specialized practice of law. It's outside my
8 practice.

9 I'm involved because of the Indian law issues,
10 really because I'm a fair convergence with business
11 law and lending, but there's a bond specialist
12 involved in this back in my office and I am grateful
13 and I relied on him for the bond things, and I have
14 been on conference calls with him and he's engaged the
15 other side and pushed back and negotiated these things
16 on behalf of our client which is you.

17 So I am just -- yes, it is true, when somebody
18 gives you \$50 million dollars, they arrange the
19 documents pretty much so that unpleasant things happen
20 if they don't get paid back. The documents are
21 drafted to make sure they get paid back. So there is
22 business decision there to do that risk analysis but
23 we have worked diligently in your interest.

24 I am not in the position to push the deal or make

1 a business judgment on it, that is something your
2 political leaders have to make. Those are hard
3 decisions. But I guess I would like to have some
4 discussion of what would happen, Kevin, in your point
5 of view now would somebody -- would you as an
6 underwriter be able to find somebody to come in and
7 buy out the tribe's position, just kind of think of
8 going forward, what is in the tribe's best interest.

9 KEVIN SHIBILSKI: Surely, we couldn't close on
10 this bond deal if there was an attempt to split in
11 two, so this would collapse. The relative value of
12 the project compared to where it would be three months
13 down the road is a legitimate question, but I think
14 Mr. Bayba is in a better position to answer that and
15 Mr. Lindsley.

16 We were hired to seek money for refinancing of
17 your system debt which is a very good sound business
18 practice, I should say, it really is. It happens
19 every day, and it is not a sign of trouble or duress
20 necessarily at all. I mean, it happens every day and
21 we were hired to pursue the refinancing of your
22 existing debt, and additional monies for your
23 investment in Natchez.

24 And while I am not making this presentation, the

1 gentlemen in the back room, I know they talk to you
2 regularly about the status of that. We were down
3 there (INAUDIBLE 18:32) our company and I saw several
4 down there at times checking out the progress of the
5 project as well. So I don't think there were any -- I
6 don't think anything was dropped on anybody. I don't
7 think this was a surprise at the 11th hour, certainly
8 not from our perspective.

9 We have been working assets to find these monies
10 and we've been working very hard to secure these
11 monies for the past several months.

12 RICK LINDSLEY: Kevin, follow up a little bit
13 with that (INAUDIBLE 18:56) as to what could happen
14 going forward. One thing about making light of
15 Muriel, about me sharing that we have not renewed the
16 license, there's going to be some issues with
17 receiving the proceeds from the bond because there are
18 certain points, trigger mechanisms and one of them is
19 for all the applications to be submitted in the
20 initial report being the Executive Director in which
21 that report has been submitted at this point in time
22 except for the money that we are talking about. So I
23 mean it's about \$8.7 million dollars that will be held
24 back, so you know, in light of that, Muriel that

1 didn't hold -- you didn't submit your application, we
2 wouldn't receive another \$50 million dollars
3 (INAUDIBLE, 19:54).

4 RICK LINDSLEY: That is correct, so I guess the
5 big question, then, did you handle this and what
6 happens in that situation, I mean, it doesn't make a
7 lot of sense in my opinion if we only had (INAUDIBLE,
8 20:04) without that additional \$8.7 million dollars we
9 wouldn't be able to do marine work.

10 With it we would be able to get the sidewalk to
11 grade our parking lot to grade to do marine work so
12 would we be stuck at that point? When I say green
13 work, I share with you guys' pictures, the portal,
14 shade, the rounds, the transition barge and then also
15 the boat, those are on hold. So we would have a nice
16 retaining wall and parking lot down near the water,
17 that's what we need this.

18 RICK LINDSLEY: That adds value to the property,
19 no doubt about it.

20 BROOKS BIG JOHN: Why didn't we simply just --
21 how come we didn't get a gaming license before going
22 through with all of it -- construction and all that?
23 Secondly, I want you to think about this two-parter
24 here, how many times can we pledge our casino revenues

1 and how far are our pledge assets stretched over
2 there? Can we keep going on and pledging these that,
3 our casino revenue, time after time after time? And I
4 guess do you guys consider that, Bill?

5 KEVIN SHIBILSKI: The refinancing reorganizes
6 whose in line first so that the bond buyers who are
7 investing \$50 million dollars of their money to
8 partner with you in both your refinancing and your
9 Natchez project are first in line.

10 RICK LINDSLEY: With that, Brooks and Bill,
11 (INAUDIBLE 21:54) Stifel Nicolaus was just out here
12 and Robert Baird (phonetic) was out here, Dave Nowak,
13 (phonetic) I think they both relayed on to the Council
14 that our borrowing limit is I want to say \$65 to \$70
15 million dollars based on single revenue.

16 As far as number of positions, Brooks, as long as
17 lenders are willing to keep, you know, 12, 13, 14
18 positions, I mean keep going down, it gets to be --
19 bond borrowing and money and there's 12 people in
20 front of me, you know, they might not be willing to do
21 that. You have a great relationship with Chippewa
22 Valley, Rick and Muriel have been keeping that orderly
23 to this point in time. With the bond refinancing it
24 puts, you know, addition, one, one position and one

1 position only.

2 Go back to why didn't we apply for a gaming
3 license before we started construction, you know, a
4 lot of that stuff started before I came on board. The
5 officers had already submitted applications, and Bill,
6 maybe you can add to this, but from my understanding
7 in talking to the Gaming Commission, and also Scott
8 Andress, you talking, I mean, that's very normal, that
9 you had all this in place and the licensing is
10 something that goes on, you know, over the time frame.
11 And Bill, correct me if I am wrong on that. I mean it
12 was --

13 BILL BAYBA: Right.

14 VICTORIA DOUD: (INAUDIBLE 23:29).

15 BROOKS BIG JOHN: That's the question I had.

16 RICK LINDLSEY: I would like to follow up on
17 Brooks on that. One reason, too, why this process was
18 delayed so long is because of Cato. Cato was supposed
19 to be -- I think you guys and leaders were due back in
20 February of '07? Cato was supposed to be submitting
21 at that same time. They did not complete his
22 application until November because he kept delaying,
23 delaying, delaying. So even our license back in the
24 May, June, July time frame.

1 BROOKS BIG JOHN: When did you tell us it would
2 be considered (INAUDIBLE, 24:26) for this question, in
3 the middle of February?

4 RICK LINDSLEY: Yes, Cato has, as explained, Cato
5 has until January 28 to divest his interest in his
6 application will be brought to the Gaming Commissioner
7 on the 1st of February.

8 BROOKS BIG JOHN: Is he still part of the Board
9 of Directors, then until?

10 BROOKS BIG JOHN: He is not part of the Board of
11 Directors. He doesn't have a vote. He's part of the
12 corporation, yet, right? He is a member of the
13 corporation, but your directors are -- Bill has two
14 votes on the Board of Directors and the tribe has two
15 votes on the Board of Directors.

16 VICKI DOUD: I have Myron, first.

17 MYRON DOUD: Oh, okay, when you are talking about
18 an audit in January, whenever that is, are you talking
19 about auditing the whole tribe, just the gaming part
20 of it or --

21 MURIEL FRALICK: We received a letter from the
22 IRS saying they were coming here January 29th and they
23 have a whole slew of things. They want to look at
24 everything. They want to look at credit card stuff,

1 they want to look at general ledger, they want to look
2 at gaming, I mean, it's a page long of items that they
3 want to investigate.

4 MYRON DOUD: In essence, could that affect the
5 whole deal?

6 MURIEL FRALICK: I have no idea. If they find
7 impropriety, I don't know if that would affect the
8 gaming applications, I don't know. I don't know how
9 they came --

10 MYRON DOUD: As a matter of fact -- at this point
11 in time, I don't think this is the time to be making
12 decisions about anything until this audit is done.

13 BRIAN PIERSON: I have seen a number of tribes
14 kept the same way, it could be traded but it could
15 just

16 be one of these random things. They seem to be
17 methodically approaching tribes with these things to
18 address these issues. So I am just throwing that out
19 because I know from other tribal clients that it's not
20 necessarily a danger sign.

21 CARL EDWARDS: We are working with you for that.

22 VICTORIA DOUD: If we've got good accounting.

23 CARL EDWARDS: Thank you, Vicki. Brian, maybe
24 you can attest to this a little bit, my experience

1 with IRS in the tribe is that they are trying to look
2 for payments that are made to individuals that do not
3 have W-9s and that have not received 1099s. They want
4 to make sure that the payments are being made are
5 treated properly from a tax perspective. So
6 therefore, in the review of say a credit card they
7 found out that one of the credit cards used for an
8 emergency fill on an L.P. gas tank was that person a
9 1099 worker?

10 Everyone who sees something from the tribe
11 because you do get your per capita which is over the
12 \$600 dollar threshold, all the payments on top of
13 that, you know, are taxable. And I think the tribe
14 has done a very good job in certain areas in gaining a
15 thorough understanding and I think a lot of roads have
16 been opened up now.

17 JEANNIE WOLFE: As the Chief Financial Officer
18 sold the \$2 million that was wired on Friday, was that
19 done properly?

20 RICK LINDSLEY: That was done under a resolution
21 that was adopted by the tribe.

22 JEANNIE WOLFE: Is there a paper trail and
23 signatures on documents?

24 RICK LINDLSEY: I am assuming that when Mr.

1 Gerber (phonetic) came over here with the loan
2 documents that he got the proper signatures.

3 JEANNIE WOLFE: The resolution is included in the
4 packet?

5 MURIEL FRALICK: I would like to address that \$2
6 million. On Friday, Rick arranged for Vicki to take
7 out a \$2 million dollar loan with the Chippewa Valley
8 Bank. I spoke this morning to the Office of the
9 Inspector General, we went off an old resolution that
10 this to Vicki and Rose is being authorized to sign for
11 any loans for the tribe so that it could fund, so they
12 could fund Natchez and the Inspector General told me
13 this morning that as soon as Rose was no longer a
14 Council person or the treasurer that that
15 documentation was null and void.

16 So as to a legality I don't think that that was a
17 legal transfer. I don't think Vicki has the authority
18 on one signature because if she goes with that
19 resolution that says Vicki and Rose should sign for
20 that loan, and Vicki did all of this on her own
21 signature. That money was wired directly from
22 Chippewa Valley Bank to -- we don't know where it was
23 wired.

24 They tell us it was to Natchez for construction,

1 but we have no documentation of that. Chippewa
2 Valley, that loan it never hit accounting, it never
3 hit tribal books, whatsoever. There was no internal
4 control with that money. So what's to say that she
5 didn't go this morning and borrow two more million and
6 wire it somewhere without it coming here to the tribe?

7 VICTORIA DOUD: (INAUDIBLE 30:29).

8 MURIEL FRALICK: Well, you did it Friday.

9 VICTORIA DOUD: I am not talking --

10 MURIEL FRALICK: Well, it was illegal. The
11 resolution states that you have to have a directing
12 signature, not yours alone. And also when I ran for
13 the treasurer's position, I was not told that I would
14 have to apply for a Mississippi Gaming License and my
15 business is my business, I am not going to give up all
16 of my bank accounts for whoever needs them, that is
17 nobody's business but my business. And if these girls
18 were comfortable doing that, well so be it, but this
19 is my call, this is my life, and it is not going to be
20 put on the line for a venture that our membership has
21 no say in and that I had no say in, so I don't feel
22 obligated as a member of the Council Executive Board
23 to follow through with this. I am not going to be
24 forced into it and now it's kind of being held over

1 our heads, I believe, because we cannot split that.
2 You said it was a two-part \$30 million and \$2 million
3 but now you are saying we have to take the whole \$50
4 million, is that right?

5 KEVIN SHIBILSKI: That's structure, the purposes
6 were always as close to -- it's one issue -- we are in
7 tuned.

8 MURIEL FRALICK: So there is no way we can get
9 the \$30 million debt consolidation alone?

10 KEVIN SHIBILSKI: It is not our intention to hold
11 you hostage. We're asking -- we're asking you a debt
12 that cleared both of those purposes from the
13 beginning. I really want to make it clear that we are
14 not trying to force you at all --

15 MURIEL FRALICK: I understand that, I understand.
16 I am asking you now, is there any way we can do the
17 \$30 million dollar debt consolidation alone?

18 KEVIN SHIBILSKI: You have to start all over
19 again, you can do that. You can't do this, but it is
20 not going to happen fast and this \$50 million dollar
21 deal that we put together now, and we are several
22 months into this, identifying a bond buyer and
23 paperwork has been done, it would roll back this deal
24 for sure and I should - on behalf of Madame President,

1 the \$2 million dollar issue is not new money,
2 additional money. That's been taken out by this \$50
3 million dollars.

4 MURIEL FRALICK: It's still money that was
5 pledged to us.

6 KEVIN SHIBILSKI: It was interim financing,
7 approved by resolution --

8 MURIEL FRALICK: It was not.

9 KEVIN SHIBILSKI: It was to replace \$2.85 million
10 dollars.

11 MURIEL FRALICK: It was accepted resolution, and
12 that bridge loan was specifically for another company.
13 It was not for Chippewa Valley Bank. What I am saying
14 is the resolution in place why would we give any one
15 person, any one person on this Council, why would give
16 any one person the authority to go out and borrow \$2
17 million and pledge it against our tribal assets? One
18 person, on one signature, that's a lot of authority
19 and I hope to God that never happens.

20 MARLENE GRAVEEN: How much money has been spent
21 total for Natchez?

22 VICKI DOUD: I don't know, I don't know.

23 MURIEL FRALICK: I can answer that. According to
24 the loan information that I have, the Tribe has so far

1 spent \$16,012,392.00; that's the original loan for
2 Natchez. That's not counting the receivables that the
3 tribe holds for Natchez which would be Lindsley's
4 expenses, tribal expenses --

5 RICK LINDSLEY: \$16,361,667.00.

6 MURIEL FRALICK: And as of today we still owe
7 \$14,536,621.79. I could be off a little bit, but to
8 the best of my knowledge with the documentation that I
9 have been provided, that's what we owe, what we have
10 invested in Natchez right now.

11 VICKI DOUD: At this time, I am going to call for
12 a recess for 5 or 10 minutes.

13 (A BREAK WAS TAKEN - END OF TAPE 1 - SIDE B)

1

TAPE 2 - SIDE A

2 KEVIN SHIBILSKI: The consequences are to no
3 action. You will absolutely kill the project and, you
4 know, I am not your business advisor but I think that
5 anybody who walked in this room would know that you
6 would instantly endanger or jeopardize your money
7 invested so far.

8 If I was in your chair, and I was an elected
9 official, too, we knew the consequences of our
10 decisions and just as somebody who has been pursuing
11 this bond for you for six months, I feel obliged to
12 tell you what the consequences of doing nothing would
13 be. You would certainly impair your credit in
14 business, and it is not me doing that, it is the
15 market place.

16 You will imperil your ability to borrow business,
17 I am not talking about Natchez, I just mean on a daily
18 basis that is not in the Tribe's best interest.
19 Anybody who looks at this decision will tell you that
20 allowing a project to go into receivership, allowing
21 your site work to be willowed with river risings,
22 allowing your credit to go into the ditch could tell
23 you with a straight face that it is in your best
24 interest to do nothing.

1 It is not. It is certainly your prerogative, I
2 understand that, but there are dire consequences. You
3 jeopardize your credit; you jeopardize your investment
4 in Natchez. So what we were hoping was maybe, you
5 know, you probably are going to have a whole bunch of
6 liens filed against the project, if you speak of
7 consequences of that.

8 (INAUDIBLE, 2:00, SOUND IS DISTORTED)

9 BIRAN PIERSON: If you ask me sitting here, it
10 would be irresponsible as the lawyer, not to say I
11 agree, I think you will end up with loss of this
12 investment you have which seems like a bad
13 consequence, potential loss of reputation when you go
14 out in the market place the next time.

15 All the concerns that were raised are sound and
16 all the things that were said about, you know, not
17 enough communication -- maybe it is a bad investment.
18 I don't know, I haven't crunched those numbers. I
19 don't know if Natchez is going to be -- I don't know
20 if the market study for Natchez is sound, but let's
21 say Natchez, the market study is bad and it's not
22 really going to be profitable, you still on January 2,
23 2008, have a decision to make and if you pull the
24 plug, I just think you won't be able to recoup what

1 you've already got so if there is some way of
2 positioning it so you don't throw away what you have
3 and then maybe sell it, just so you don't lose your
4 investment, just get it so they have something to
5 sell.

6 Don't let the thing go down the drain so you have
7 nothing to sell and then however many million you have
8 into it is gone. You know avoid that result by
9 putting it into a position where you can sell it if
10 you want to go forward. But I tend to agree, again,
11 the policy decision for leadership it would be
12 irresponsible not to say as an individual.

13 MIKE CHRISTENSEN: Brian, that same thing we went
14 through Shullsberg, our credit was hurting, the Dream
15 Catcher boat, our credit was hurt we are paying out
16 all these projects --

17 BRIAN PIERSON: But the way I see it, the way I
18 see it, they are about to get completed --

19 MIKE CHRISTENSEN: It's already damaged. We
20 already got three projects pulled out we can't get
21 nailed down. We got another boat we are paying on.
22 We got a chunk of land sitting, it's a mine thing, and
23 we can't do nothing.

24 BRIAN PIERSON: If we walk off the job and start

1 to get lawsuits and liens who is going to buy it from
2 you? Then all the investments and money put in --

3 MIKE CHRISTENSEN: Apparently somebody must think
4 we are something. We got a deal down in Chicago for
5 another boat. When are we going to get our money
6 again? It's locked up in Shullsberg, only we aren't
7 going to get our money again, our creditability ain't
8 hurt. I don't like high-pressure tactics, I'm sorry.

9 VICTORIA DOUD: I don't think that's high-
10 pressure tactics, I think it's legal.

11 MIKE CHRISTENSEN: We lost a bunch of money
12 already, what's the sense of holding off for another
13 30 days so everybody looks over this contract and then
14 decides on it.

15 BRIAN PIERSON: I just want to say on that, the
16 documents have circulated, the bond indenture, for
17 example, again a very dense document like this, I have
18 difficulty understanding the doggone thing. I rely on
19 my partner for those highly technical documents
20 circulating at the end of November among the
21 Development Team, gone through several drafts.

22 You know, we got involved in your hiring August
23 for a deal that we understood had been in progress for
24 a while, so I understand that at this point that there

1 is opinion divided about this and I am totally looking
2 at it not in terms of who's right or who's wrong, it's
3 what about right now, on January 2nd, what are the
4 consequences of this Choice A versus Choice B?

5 MIKE CHRISTENSEN: I am sure you can get another
6 attorney in here who will give you a different opinion
7 and say hey you are better off holding off for 30 days
8 before you make your mind up.

9 VICKI DOUD: I would like to remind the Council
10 here too that there are a lot of people that we're
11 representing that aren't out here right now. Where
12 are they? We've got a responsibility to those people
13 not just we people present.

14 MIKE CHRISTENSEN: What? We don't mean nothing
15 out here?

16 VICKI DOUD: (INAUDIBLE, 6:00)

17 MIKE CHRISTENSEN: -- like I said, I want to see
18 the books that you guys do when you built the casino --
19 obviously, it wasn't on the nothing list -- yours and
20 Butch's were on the papers.

21 VICKI DOUD: You are out of order.

22 MIKE CHRISTENSEN: The same thing is happening
23 here again, right back to the damn secrecy --

24 VICKI DOUD: I am going to call on Muriel.

1 MIKE CHRISTENSEN: I've got the floor. If you
2 throw me out I will call the cops, Vilas, tribal cops,
3 whatever you want but the same damn thing, the secrecy
4 got us right to where we are at today from Shullsberg,
5 everything else, right back in the same spot. We have
6 one inch, everybody is taking our money, shelling it
7 out and we are getting shit back and all of a sudden
8 because we are sitting here in the audience and we are
9 not part of what the deal was, we don't matter?

10 VICKI DOUD: We are trying to move ahead.

11 MURIEL FRALICK: If you create a disturbance, Mr.
12 Christensen, you will be suspended. We can pretend
13 you have been suspended today as our Treasurer by our
14 esteemed President.

15 I was not working, I got assaulted in the hallway
16 today and I got suspended because I created a hostile
17 environment, that I was the one that was the accosted
18 and attacked, yet I created that. My question, my
19 question is: If we sign these documents and we pay
20 that \$50 million dollar bond sale, is there something
21 in the documentation that says we have to send this
22 \$20 million to Natchez?

23 KEVIN SHIBILSKI: You could shut down the \$8.5
24 simply by not applying, I am not your attorney. There

1 is a clause in the bond document that withholds over
2 \$8 million dollars if you would not submit your
3 application. What I am saying is there may be some
4 middle ground, that's your decision, but you could
5 probably pay your bills, make sure the thing doesn't
6 erode. You owe \$16 million, and hold back on almost
7 \$9 million dollars of this. I have to get the bond
8 buyers to reissue the bond, but it is an option.

9 MURIEL FRALICK: Okay, but we can take this \$50
10 million, you're saying of that \$20 we have to send \$16
11 million down there? I don't understand the state --

12 KEVIN SHIBILSKI: No, it would be the \$12. What you
13 would be doing is you would be paying your bills. The
14 project would continue to be current; it would
15 continue to be saleable, if you get the bullet. What
16 I was trying to think of was a way for you -- because
17 clearly some of you are talking about selling this
18 project, then you want to protect your \$16 million you
19 already invested and you want to have something that
20 you can sell to somebody and I think you can do that
21 without taking the extra \$9 million dollars.

22 MURIEL FRALICK: So my question is: Is that
23 written in the documentation that we are going to sign
24 if we take that \$50 million? That is definitely asked

1- to go?

2 KEVIN SHIBILSKI: That \$9 -- you absolutely --
3 you could just not apply, that \$9 would not be
4 disbursed, that's a fact, yes.

5 MURIEL FRALICK: Just the \$9, though, that's all
6 we can save?

7 KEVIN SHIBILSKI: Well, not saving because you
8 are keeping the project current. You are avoiding --
9 you know, you are avoiding lawsuits. You are creating
10 something you can sell. You have bought a decision to
11 make and that's all yours to make. If you decide you
12 want to get out of this, you certainly don't want to
13 lose your \$16 million so get current on your bills,
14 solidify the site work and then sell it if you want to
15 move on.

16 MURIEL FRALICK: Okay, why are we at risk of
17 losing our \$16 million dollars, I thought we had
18 equity in there?

19 KEVIN SHIBILSKI: If you did nothing, what would
20 happen is all the contractors that are working on this
21 will start a series of lawsuits again all of this --
22 well, lien can speak to that line. Its liens, they
23 will file liens.

24 MURIEL FRALICK: Against us as a tribe or against

1 LLC?

2 KEVIN SHIBILSKI: Against the project.

3 BRIAN PIERSON: So the liens against the project,
4 which means that they're, like encumbrances on the
5 land and they prevent anybody else from lending more
6 money.

7 MURIEL FRALICK: So it is not on us?

8 BRIAN PIERSON: They probably would sue the LLC.

9 MURIEL FRALICK: Right. Okay, but we still have
10 equity in there, that wherever it is at now because
11 Rick Lindsley, he said right now, he felt if we were
12 to sell now that our position is \$13 million dollars.

13 KEVIN SHIBILSKI: You have a very good position
14 as long as you don't let it go into receivership and
15 lawsuits, then you have nothing to sell and then your
16 money is at risk.

17 MURIEL FRALICK: What will our position be if we
18 do the \$16 million? Are we in the same as if we were
19 \$32 million dollars into it then?

20 KEVIN SHIBILSKI: If you didn't do the \$9 -- I
21 mean, I am getting way out of my role here --

22 MURIEL FRALICK: I mean, I don't know, I am
23 trying to understand

24 KEVIN SHIBILSKI: What I am trying to do is look

1 for a way, I guess I have a fiduciary responsibility
2 to tell you what the consequences would be and maybe
3 there is a compromise position. At least get your
4 bills paid, get your site work completed, get the boat
5 there, then you can sell it.

6 Lots of people would love to buy that project, I
7 don't think that's an issue. You can decide if that's
8 what you want to choose to do. If you do nothing, and
9 it falls into lawsuits and receivership and all the
10 other nasty consequences and you do nothing, you
11 jeopardize your \$16 million dollars invested in there.

12 So if you want out of the project, at least
13 project what you invested, keep your bills current.
14 If you don't apply, Muriel, the \$9 million doesn't get
15 drawn, that clause is in there that would be a smaller
16 borrowing under the same structure we wouldn't have to
17 reissue this.

18 MURIEL FRALICK: So when you say the \$9 million
19 doesn't get drawn, I don't understand that.

20 KEVIN SHIBILSKI: There is a clause in here
21 saying you have to meet your application, the Tribe
22 has to submit its application to this Mississippi
23 Gaming Commission before \$9 million dollars is allowed
24 to be accessed. It's a provision in this deal.

1 MURIEL FRALICK: So that documentation that shows
2 that, when are we going to be given that documentation
3 so we know -- I mean, I don't know what we are getting
4 into. I see nothing in writing in this agreement.

5 KEVIN SHIBILSKI: I can only speak from the
6 financial consequences, and that would mean you would
7 not get the \$9 million. So you are borrowing would be
8 reduced. Instead of \$50 you would be borrowing \$41.
9 Most of which financing existing -- financing existing
10 now.

11 MARY WHITE: I believe what the Treasurer is
12 saying is we would like to see some of the documents.
13 I haven't seen anything.

14 KEVIN SHIBILSKI: Sure.

15 MARY WHITE: Do you have any to give her so she
16 can at least acknowledge the --

17 KEVIN SHIBILSKI: Sure, I have all of our
18 financing -- I have all of our offering circular.

19 MURIEL FRALICK: So I thought -- I guess I
20 gathered earlier in the meeting that it was \$50
21 million, and that's all it was.

22 KEVIN SHIBILSKI: You would still be doing this
23 deal, you just would violate one of the covenants of
24 this deal and you would not get the \$9 million

1 dollars, so you still would be -- you know, we
2 wouldn't have to redo this. You would just be taking
3 \$9 million less by virtue of what you saved earlier
4 and I reiterate that you wouldn't be applying.

5 MURIEL FRALICK: Right.

6 KEVIN SHIBILSKI: If you don't do that, that's a
7 consequence. And then you can still -- you can be
8 current on your bills, you got a project that you can
9 sell and you don't jeopardize the \$16 million. I
10 don't see how it is possibly in your interest, for
11 what it is worth, to undo what you have done, to
12 jeopardize your \$16 million.

13 MURIEL FRALICK: Okay, before we make a decision
14 on that can I see the loan distribution? Where this
15 \$40 million is going to be, who we are going to pay
16 off, where all this money is going to go?

17 KEVIN SHIBILSKI: That's all your contractors, I
18 mean, I didn't do that. But your partners and Mr.
19 Lindsley can talk to you about that.

20 MURIEL FRALICK: I mean, you know, we are going
21 to borrow \$41 million from, right?

22 KEVIN SHIBILSKI: \$30 of that is refinancing
23 your debt.

24 MURIEL FRALICK: Right. I mean, that's what I

1 want because I need to know. I want to know exactly
2 who is being paid off, how much they are being paid,
3 what's going down to Natchez, who down there is being
4 paid, where is it going?

5 KEVIN SHIBILSKI: It's all contractors.

6 MURIEL FRALICK: It's all -- the whole \$16
7 million is contractors?

8 KEVIN SHIBISKI: Well I don't think that's -- it
9 would leave \$16 if you didn't do the \$9, about \$50 is
10 \$12 more.

11 MURIEL FRALICK: The \$12 million, the \$12
12 million.

13 KEVIN SHIBILSKI: And some of it is reserved for
14 (INAUDIBLE, 14:25) expenses off.

15 MURIEL FRALICK: Well, see, that's what I am
16 saying. I don't understand this and I think we need
17 to know this.

18 KEVIN SHIBILSKI: You would be paying your bills.
19 You could probably have something like \$7 or \$8
20 million dollars to pay bills with in Natchez. It
21 would all go to contractors.

22 MURIEL FRALICK: Okay.

23 KEVIN SHIBILSKI: So you would be paying the
24 people that already worked on your project down there.

1 MURIEL FRALICK: And who is going to have this \$8
2 million dollars extra, \$7 million?

3 KEVIN SHIBILSKI: In any bond deal it goes to a
4 trustee, a third party. Nobody touches it.

5 MURIEL FRALICK: You are going to have control o
6 it?

7 KEVIN SHIBILSKI: No, no, no, a trustee.

8 MURIEL FRALICK: Who is the trustee?

9 KEVIN SHIBILSKI: Wells Fargo.

10 MURIEL FRALICK: Wells Fargo, they get the whole
11 \$41 million and they dole out our payment?

12 KEVIN SHIBILSKI: No, no, remember \$30 million of
13 this is refinancing.

14 MURIEL FRALICK: I realize that. I am talking
15 about the total. I know \$30 million is the debt
16 consolidation.

17 KEVIN SHIBILSKI: Yeah, right.

18 MURIEL FRALICK: I want to know who has total
19 control of the \$41 million, the \$30 plus the \$12 or
20 whatever.

21 KEVIN SHIBILSKI: Well it would be the \$12 less
22 the reserves, so probably \$7 or \$8. Well Fargo would
23 control that \$7 or \$8 million dollars.

24 MURIEL FRALICK: So can they tell us who is going

1 to be paid?

2 KEVIN SHIBILSKI: Well bills are submitted; it's
3 like any other construction.

4 MURIEL FRALICK: Who has that -- I am asking, I
5 want to know who is going to be paid, is that such a
6 hard --

7 KEVIN SHIBILSKI: No, no, it's just not me it's
8 Mr. Bayba. I can tell you that the contractors
9 involved down there are Yates Construction, they are
10 the (INAUDIBLE, 15:56).

11 MURIEL FRALICK: What do we owe Yates?

12 KEVIN SHIBILSKI: I don't know, I don't know.

13 MURIEL FRALICK: Who knows what we owe Yates?

14 KEVIN SHIBILSKI: Mr. Bayba and Mr. Lindsley
15 would know that, can you grab them out of Rick
16 Lindsley's office?

17 MURIEL FRALICK: Is there going to be
18 accountability to the Tribe for this money that we are
19 going to be leveraging our casino on?

20 KEVIN SHIBILSKI: The bondholder in this case,
21 it's their money, they are lending this money. They
22 want to make sure this money is not wasted to
23 inappropriate -- there is a lien waiver process like
24 when you build a house. You got to pay the plumber,

1 you go to the bank, the bank sends someone out, the
2 plumber does his work, it is exactly that process.

3 MURIEL FRALICK: Okay.

4 KEVIN SHIBILSKI: Nobody has a checking account
5 with all the money in it.

6 MURIEL FRALICK: But it's going to be accountable
7 to us, also?

8 KEVIN SHIBILSKI: Absolutely, every penny.

9 MURIEL FRALICK: And it is not just going to go
10 to one person? It's not going to go to Mr. Lindsley
11 and not be shared with the rest of us?

12 KEVIN SHIBILSKI: No, no.

13 MURIEL FRALICK: I mean, that's been the history.

14 KEVIN SHIBILSKI: That's not my job.

15 MURIEL FRALICK: I know it's not your job but I
16 want some assurance that the rest of us are aware of
17 what's going on.

18 KEVIN SHIBILSKI: That's fair enough. I can
19 assure you that Wells Fargo has fiduciary
20 responsibility in this deal. And Brian, this is
21 really some (INAUDIBLE, 17:15) as well. Your job is
22 to make sure those funds are appropriately spent on
23 your behalf, and they have to provide -- bills will
24 be provided, lien waivers will be provided, only

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2 after they approve that it is legitimate.

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BRIAN PIERSON: It's a very tight process. Wells Fargo, they are very experienced with these kinds of things and they have a draw process like a construction draw process.

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MURIEL FRALICK: I want to be a part of that information, I think the whole Council needs to be a part of that whole information and I think that's the way the future is going to be. It's not one or (INAUDIBLE, 17:54) decision. So is this something that needs to be decided upon tonight or can we ponder this?

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KEVIN SHIBILSKI: It's your decision what to do. From a process perspective, I think for this to move forward, you have to approve the proposal and if you choose to stop the \$9 million you simply don't make the application. That's the effective result of your not applying for a license. Everything else goes away if you don't approve it. We can't do the bond deal with your authorization.

22

23

MURIEL FRALICK: And you need to have that at the same time?

24

KEVIN SHIBILSKI: Yeah, we have been working this

1 for five-and-a-half to six months.

2 MURIEL FRALICK: Okay.

3 VICKI DOUD: Paco?

4 PACO FRALICK: I just have three questions. I am
5 trying to understand this in its entirety. What was
6 the reason that we can't wait a month or a week? Why
7 does this have to be tonight?

8 VICKI DOUD: There are people that need -- that
9 expect to be paid. There are bills that have not been
10 paid to keep the operations going.

11 PACO FRALICK: And I am trying to understand this
12 Cato that wants \$35 million dollars to sell his
13 property to the Tribe. How does he fit in? What
14 happens if we don't want to pay him \$35 million and we
15 owe him nothing. What happens to our wholly bill on
16 that track of land?

17 KEVIN SHIBILSKI: I could answer that, that's a
18 good question. Mississippi anticipates that he will
19 have otherwise you have a minority partner in a casino
20 project who wouldn't get a license, it would hold up
21 the whole project. So they, in their statutes have
22 anticipated that and they created a resolution
23 process, which prepares a third-party appraiser to say
24 -- they come in and say hey look, this is what I can

1 do.

2 PACO FRALICK: That's pretty (INAUDIBLE, 20:00)

3 KEVIN SHIBILSKI: I don't know. I am saying the
4 reality is (INAUDIBLE, 20:02) that's way, way off.

5 PACO FRALICK: And I understand they are trying
6 to dissolve it?

7 KEVIN SHIBILSKI: I don't now that. I just know
8 that every state has a process.

9 PACO FRALICK: So think about it, now you are
10 talking \$50 million plus \$35? Is the Tribe going to
11 borrow money and be so far into it that we are going
12 to be at this point again where you will be asking
13 well do you want to protect what you already invested?
14 you know, how far do you go? And my third question
15 is: How much money do you think you have to put in to
16 get it saleable?

17 KEVIN SHIBILSKI: To me that's the question you
18 have to consider because if you (INAUDIBLE, 20:44) not
19 keeping your bills current and not making sure your
20 site would be worked on.

21 PACK FRALICK: What guarantee do we have that it
22 would sell? I hear you talking about excavating and
23 so we've got \$16 million, how much more do we have to
24 put in to get to this.

1 KEVIN SHIBILSKI: If Muriel withholds the
2 application that would reduce the borrowing by \$9
3 million, you have enough of what's left (INAUDIBLE,
4 21:10) refinancing to get your bills current and
5 retaining wall completed so that the builder can't
6 undo or take the money to get done. So you don't
7 jeopardize your \$16 million. That's the short answer
8 to that question. You have a sale, then you can
9 decide if you want to sell it, then you have something
10 to sell. Having the spring floods wash out what you
11 have already done and having the liens and lawsuits
12 that eliminates your ability to sell this investment.

13 PACO FRALICK: So you are saying we would have to
14 have \$25 million?

15 KEVIN SHIBILSKI: No, I am saying --

16 PACO FRALICK: \$16 plus \$9.

17 KEVIN SHIBILSKI: I don't know where you are
18 getting the \$16 from -- oh, right, right, right.

19 PACO FRALICK: But we have to spend \$25 million
20 in the hope it sells.

21 KEVIN SHIBILSKI: Not hope, you have a valuable
22 asset there that would sell. That's certain. If you
23 did nothing, that's for sure, you are losing \$16
24 million dollars and that's not a matter of opinion.

1 you are going to jeopardize that, maybe it's \$14,
2 whatever. You are going to jeopardize your integrity
3 of the investment if you do it that way.

4 MIKE CHRISTENSEN: Do we actually own that land?

5 PACO FRALICK: I just have a comment. I think it
6 is somewhat irresponsible to have gotten to this point
7 with this many people uninformed. I don't know who
8 the people are that have that information, but I just
9 think it is irresponsible.

10 MIKE CHRISTENSEN: Very irresponsible.

11 BROOKS BIG JOHN: My question was that after Rick
12 had told us we were into this venture, 37.5 percent is
13 our lot bill through Big River, Bill Bayba is an equal
14 partner and I hear Muriel and other people say that we
15 have \$16 million invested. I guess that I would like
16 to hear the dollar figure that Mr. Bayba has invested
17 since he is an equal partner.

18 BILL BAYBA: Well, the way it was originally set
19 up, I was going to gather personal guarantees and
20 other credit, so the cash, the actual cash dollars
21 that I put in does not equal what you guys put in, but
22 I was putting up letters of credit, personal
23 guarantees for millions of dollars.

24 MR. BROOKS: How do you stand to reap the

1 benefits of that amount if it is equal to the Tribe?

2 I mean equal partners to me, one over here is equal to
3 this one. I give \$16 million here to this group and
4 not \$16 million there, that's hard. I don't get it.

5 RICK LINDSLEY: Brooks, with the Tribe's
6 investment, the Tribe originally was offered a deal
7 that was passed down, that was before my time. I
8 don't know what happened; I don't know what the deal
9 was. When they went back to the investor, they put in
10 \$5, they tried to put in \$5 million dollars. We later
11 acquired additional shares for \$3.6 million dollars.
12 Our actual investment in the project was \$8.6 million
13 dollars. The other dollar amount that we subsidized
14 was \$16.3, which is approximately \$7.6 million
15 dollars; those are loans to the project that upon the
16 refinancing the Tribe would be reimbursed for and
17 those who didn't then become the debt of Natchez. The
18 Tribe's investment is \$8.6 million.

19 MURIEL FRALICK: But we are taking out the loan
20 to pay back to ourselves? I mean, that doesn't make
21 sense.

22 RICK LINDSLEY: Right now, it's the Tribe's debt.
23 In the refinancing, it will be Grand Soleil's debt, so
24 the Tribe then is --

1 MURIEL FRALICK: But then eventually --

2 RICK LINDSLEY: They will be responsible for
3 \$37.5 million dollars of that \$7.6 million dollars as
4 opposed to 100 percent.

5 (INAUDIBLE 25:26, TALK OVER)

6 MURIEL FRALICK: -- but I know we have Mr. Bayba
7 who answered Brooks question about how much cash do
8 you have invested?

9 MR. BAYBA: About \$10 million dollars.

10 MURIEL FRALICK: \$10 million?

11 KEVIN SHIBILSKI: He's on the hook by the way for
12 that. Say you did this and whatever, \$7 million
13 dollars went down, he is on the hook for half of it.
14 Just so you know that is it's not just the Tribe, and
15 that's immediate, right away. There is no gap, there
16 is no exposure. He is immediately on the hook for
17 that, too, with you, as 50/50 partners. And in
18 addition to that, he has lent millions to the deal on
19 his own to keep it going. You should know that, too.
20 You have a very good partner, Mr. Bayba.

21 MURIEL FRALICK: I believe that, but it would
22 have been nice to know this along the way.

23 KEVIN SHIBILSKI: I personally know that he has
24 paid bills for hundreds and hundreds thousands of

1 dollars without any guarantee that he would ever be --
2 made whole.

3 MURIEL FRALICK: Well it's nice to know that and
4 it would have been nice if we knew that.

5 KEVIN SHIBILSKI: I think that's a testament of
6 his character that he did that without flinching. He
7 could have come here and put you on hold, but he
8 didn't, he wrote a check. I know only one person in
9 the world who did that, and I know you know, too, he
10 is standing right there.

11 You are going to ruin not only your project, but
12 you are going to ruin your partner's project if you do
13 nothing. That's a fiduciary fact, and I am obliged to
14 tell you that. You can sell the project, that's your
15 call, that's a political decision, that's all your own
16 decision, and that's all yours but you ought to know
17 the consequences of doing nothing is prepare to lose
18 your \$16 million dollars and to lose millions for your
19 partner as well. Think about that before you go and
20 waste all this.

21 MURIEL FRALICK: We probably should have did a
22 little investigating on all this before --

23 KEVIN SHIBILSKI: He is high on the project. He
24 is very happy with the project.

1 VICTORIA DOUD: I think there is some
2 responsibility, too, on your part (INAUDIBLE, 27:20).

3 MURIEL FRALICK: They kept everything a secret,
4 how can I find out? I have been asking these
5 questions from the start. Vicki, you guys all met in
6 your office on Friday and you all wired out \$2 million
7 dollars. I sat over here in this other office, did
8 anybody call me? No. I am the Treasurer. I have
9 custodial responsibilities for all funds of the Tribe
10 and I am the only one that was left out of that
11 arrangement, the borrowing of \$2 million, and the
12 wiring out of \$2 million, illegally, I feel.

13 VICTORIA DOUD: Resolution authorizing that.

14 MIKE CHRISTENSEN: I have a question, Vicki.
15 This gentleman is not putting out more cash; he is
16 putting his investment in a boat?

17 KEVIN SHIBILSKI: No, \$10 million dollars.

18 MIKE CHRISTENSEN: We got nothing back and now
19 you expect us to invest in another thing where we
20 don't even own the land, we own what? How much land
21 do we own? Zero. (INAUDIBLE, 28:29, TALK OVER)

22 MIKE CHRISTENSEN: I want to know how much land
23 we own down there.

24 MR. BAYBA: Sir, I put up \$10 million in cash

1 (INAUDIBLE, 28:48, TALK OVER) -- the project and the
2 \$10 million guarantees.

3 MIKE CHRISTENSEN: How much land do we own as a
4 Tribe down there?

5 MR. BAYBA: 55 acres.

6 MIKE CHRISTENSEN: Is that in your name or in our
7 name, do we have a clear title to it?

8 MR. BAYBA: It's in the name of the LLC.

9 MIKE CHRISTENSEN: It's another corporation that
10 means zip and you are going to stick it to us again.
11 We already went through this with the Dream Catcher,
12 we already went through this with Shullsburg. How
13 many more times is the (INAUDIBLE, 29:12) going to
14 take a beating at our expense and sit back and tell us
15 you are doing a job for us? That's upsetting to me
16 that we lose all this damn money down the drain.

17 Another guy comes in here, you have a letter,
18 great, an LLC corporation. You guys better get in a
19 lawyer that is going to talk for you and make you
20 understand what is going down and not to have somebody
21 and say hey give me some money and you're done. Get a
22 couple of more lawyers, here's some more money and
23 you're done. We have been taken to the cleaners, how
24 many times because like Muriel said,

1 secrecy.

2 When I was on this Council, I got kicked out
3 because I opened my mouth against the secrecy and I am
4 not going to shut up because everyone wants it to be a
5 secret and wants to spend money and act like big
6 shots. Take a pay cut if you guys want to act like
7 big shots and give us back some of our money.

8 VICKI DOUD: Are you done now?

9 MIKE CHRISTENSEN: Whatever happened to our elder
10 per capita payment this year? Out the window. Where
11 is all the promise of taking care of the elderly, the
12 Tribal members an everything else? We get the shaft
13 anyway. I come up here and start asking questions and
14 nobody knows anything. I am asking about the deal --
15 (INAUDIBLE, 30:08) get no money, how much land do we
16 own, what's in the corporation?

17 VICKI DOUD: When are you going to let us answer
18 you?

19 MIKE CHRISTENSEN: We don't own the land. We
20 don't own nothing. Every time I ask questions, I am
21 out of order.

22 VICTORIA DOUD: We own 40% of the investment.

23 MIKE CHRISTENSEN: Your investment in 40 percent
24 like we are invested in the Dream catcher, it went

1 down the tubes. We own land up in Shullsberg, it went
2 down the tubes. We have another investment going down
3 the tubes, the stock market crashes every day, you
4 don't get nothing back, Vicki.

5 VICTORIA DOUD: You don't let anybody respond.
6 We still own land on the Shullsburg and if we buy it
7 at --

8 MIKE CHRISTENSEN: \$300,000.

9 VICTORIA DOUD: -- then what it was worth.

10 MIKE CHRISTENSEN: \$100,000 going to an
11 underground mine, land, drilling and we can't do
12 nothing, Vicki.

13 VICTORIA DOUD: That's your opinion of it.

14 MIKE CHRISTENSEN: I have heard our DNR people
15 tell us you can't put pillars underground for the boat
16 --

17 VICTORIA DOUD: I don't know -- I don't know if
18 the suggestion would be -- (INAUDIBLE, 31:20, TALK
19 OVER) I know you direct me to do a lot of things.
20 There might be going with the \$40 million rather than
21 -- we need to stop all this back and forth. Bring it
22 out in the open, no more hiding; bring it out in the
23 open.

24 CARL EDWARDS: I want to introduce the issue for

1 the bond issue. If we don't want to continue, we
2 can sell it, this way we will get something for it.

3 If you don't want to keep on going, we can sell
4 it, the first one.

5 CHRIS OR PACO FRALICK: I think we need a
6 referendum for this here. This is way too much money.

7 CARL EDWARDS: There is a resolution there I
8 introduced. Call for the question.

9 (INAUDIBLE, 32:23, TALK OVER)

10 CHRIS OR PACO FRALICK: I got a question, you
11 just called for a question; I have a question, that
12 means he asked for a question.

13 VICKI DOUD: All those in favor say, aye.

14 ALL: Aye.

15 VICKI DOUD: Opposed?

16 TOM MAULSON: I oppose.

17 VICKI DOUD: Do you know?

18 TOM MAULSON: I will give you my reason for
19 opposing; one abstention.

20 VICKI DOUD: One abstention. Resolution carried.

21 (INAUDIBLE, 32:56, TALK OVER)

22 BETTY JACK: What did you vote on?

23 VICKI DOUD: Transfer of certain assets to
24 Lake of the Torches Economic Development Corporation,

1 borrowing of funds from Lake of the Torches

2 (INAUDIBLE, 33:06) Corporation, and three, (INAUDIBLE,
3 33:08) funds to Grand Soleil Natchez, LLC.

4 BETTY JACK: And that's in the best interest of
5 all the Tribal members, Vicki?

6 CARL EDWARDS: And if you want to sell it, we can
7 sell it, that's fine.

8 VICKI DOUD: We want to move on to the next order
9 of business, please.

10 KEVIN SHIBILSKI: We need a motion on all five of
11 those resolutions. I just put that out, that wasn't
12 for all of them.

13 CARL EDWARDS: Then I guess the second I will
14 introduce for the EDC Revenues proving the transit of
15 assets from FDC, from the loan funds for the FDC which
16 are both under the EDC.

17 MURIEL FRALICK: Could somebody please explain
18 this resolution to me? I'd like it read word-for-
19 word.

20 VICKI DOUD: Resolution introduced.

21 MURIEL FRALICK: I mean I don't understand this.
22 Could somebody please explain it to me?

23 BROOKS BIG JOHN: Under discussion, I have some
24 questions that I believe need to be addressed here,

1 Madame President.

2 TOM MAULSON: Let Carl explain it, I believe he's
3 the guy that introduced it.

4 CARL EDWARDS: It's your second one, the EDC.
5 Can the Secretary read out the resolution, it's the
6 second one for the EDC, it is Number 3.

7 MURIEL FRALICK: We don't have numbers on ours,
8 Carl.

9 CARL EDWARDS: You have five in front of you,
10 Muriel. Two have EDC on top. And then you have one
11 that's an FDC and you have two that are Tribal. This,
12 the second one with the EDC, see that one, it's on
13 top.

14 BROOKS BIG JOHN: For the consolidation or
15 program issuance?

16 CARL EDWARDS: Consolidation. The other one for
17 the issuance is done. Can Geraldine Brown read it,
18 the second one, Number 3 on your sheet, consolidation
19 of Lake of the Torches?

20 MURIEL FRALICK: Can you explain it as you read
21 it, please. After all, we are voting on this,
22 shouldn't we understand it?

23 BRIAN PIERSON: I hope that I drafted it so that
24 it sort of explains itself. I tried to lay it out.

1 SECRETARY: Whereas we (INAUDIBLE, 36:04, READING
2 VERY FAST) Under the economic Development Corporation,
3 whereas Lake of the Torches Economic Development
4 Corporation, the Corporation is (INAUDIBLE, 36:14) is
5 controlled by the LDF (READING FAST, TELEPHONE
6 RINGING) is the governing body of the Corporation,
7 (INAUDIBLE, 36:30, TELEPHONE RINGING) The Articles of
8 Incorporation.

9 MURIEL FRALICK: What are these articles of? Can
10 you pull those out and read them to me?

11 GERALDINE BROWN: The Articles of Incorporation
12 (INAUDIBLE, 36:47) the Order of Directors has the
13 authority to do all things necessary to actively and
14 aggressively participate in all matters pertaining to
15 a social, economic and industrial welfare of the band
16 and to engage in any lawful or activity which may be
17 necessary and appropriate for caring all and
18 accomplishing any of the foregoing purposes
19 (INAUDIBLE, 37:09).

20 And whereas, the Tribe has also formed a wholly-
21 owned corporation chartered by the Secretary of
22 Interior in Section 17 of Indian (INAUDIBLE, 37:14)
23 Reorganization (INAUDIBLE, 37:15), LOTC Federal
24 Development Corporation and whereas on August 13,

1 1995, the Tribe issued a lease to the Corporation for
2 parcels of land comprised on the site of the Lake of
3 the Torches Casino (INAUDIBLE, 37:30) and whereas on
4 December 29, 1995, the Tribe issued a lease to the
5 Corporation for parcels of land comprised on the site
6 of Lake of the Torches Hotel in which there is an
7 adjacent parking area at Lac Du Flambeau and whereas
8 the Corporation continues to own and operate the hotel
9 in 1996 and whereas the Corporation leases the casino
10 to the FDC by lease dated September 1, 1995, since
11 1995, and whereas the casino and hotel are operated
12 (INAUDIBLE, 38:04).

13 Whereas the division of Lake of the Torches
14 Casino ownership and management is between the
15 Corporation and FDC (INAUDIBLE, 38:15), and whereas
16 the 1995 and 1996 loans that financed (INAUDIBLE,
17 38:27) and whereas the Division of the Lake of the
18 Torches reserved casino ownership and management as
19 stated operationally and (INAUDIBLE, 38:25) outside
20 entities and (INAUDIBLE, 38:37) ownership and all
21 components of the Lake of the Torches Casino be
22 consolidated under the Corporation and whereas Tribe
23 and its Trustee provides that the FDC focuses economic
24 development activities and opportunities outside the

1 reservation.

2 The amended Articles of Incorporation of the
3 Corporation include language in Article 4 are also
4 included in the original Article of Incorporated Draft
5 in 1995, that this Corporation is a Not-For-Profit
6 Corporation and no dividends or (INAUDIBLE 39:14)
7 shall be declared to any private individual of Officer
8 or Director of the Corporation.

9 And whereas Articles are a result of (INAUDIBLE
10 39:24) and the records to the Corporation as a
11 (INAUDIBLE 39:30) not-for-profit Corporation are
12 misleading because the Corporation tries to earn as
13 much profit as possible, to run governmental services
14 that benefit members of the Tribe.

15 And whereas in no event could the Corporation
16 qualify for Charitable, 501-C3 status under the
17 Internal Revenue Code because its activities do not
18 qualify (INAUDIBLE 39:49) and the Internal Revenue
19 Service has issued a ruling that (INAUDIBLE 39:53) all
20 Corporation chartered under Tribal Law Shares, the
21 owners immunity from Federal Income Tax and we are
22 recommending that the Articles that characterize the
23 Corporation under the for-profit Business Corporation
24 wholly owned by the Tribe will not affect the Tribe's

1 non-practical status under Federal Income Law and
2 whereas the next clause relating to the approval of
3 the loan to the FDC.

4 Whereas the FDC is a member of Grand Soleil
5 Natchez, LLC, and strictly limits the liability
6 accompanied with the development (INAUDIBLE, 40:20) to
7 the Riverboat Casino owned by the (INAUDIBLE, 40:26,
8 TALK OVER) whereas the FDC as a member of the Grand
9 Soleil is in need of funds to loan to Grand Soleil in
10 order to finance a portion of the Grand Soleil
11 project.

12 And whereas to provide financing for purposes of
13 1) Consolidating any refinancing by a bank; 2)
14 Providing funding for the Grand Soleil project; 3)
15 Funding at that service reserve and 4) Paying certain
16 costs to issue the bonds, records to hold. The
17 Corporation proposes to issue \$50 million taxable,
18 giving revenue bonds during the 2008, all pursuant to
19 a Trust indenture dated as of January 1, 2008, between
20 the Corporation and Wells Fargo Bank, National
21 Association and Trustee for the bond.

22 And whereas the Corporation has agreed to loan
23 the FDC the bond proceed sale funds that the FDC
24 (INAUDIBLE, 41:25, COUGHING) loan of Grand Soleil,

1 LLC, for purpose of those Grand Soleil projects.

2 And whereas the loans from the FDC to Grand
3 Soleil, LLC, will be originated by Grand Soleil, LLC,
4 at the rate interest of 2.75 percent higher than the
5 rate of interest paid by the Corporation to the bond
6 holders and the FDC will act as a conduit for
7 transferring all payments to Grand Soleil for the
8 Corporation. The Corporation is used to make the
9 required payments to the loan and the bond.

10 Whereas the directors of the corporation and sole
11 shareholder believes 1) The consolidation of the Lake
12 of the Torches Grand Casino ownership, the management
13 and Corporation, 2) The amendment of the Articles, and
14 3) The loan to the FDC to be in the best interest of
15 the Corporation and its sole shareholder.

16 Therefore, be it resolved that the Resolution is
17 approving consolidation of LOTC Casino under the
18 Corporation, resolved that the acquisition of the FDC
19 as it originally purchased the casino by the
20 Corporation is hereby approved, and that all three
21 resolved the Lease Assignment for the Corporation, the
22 FDC dated September 1, 1995, casino site terminated
23 and the Corporation owned and operate the entire Lake
24 of the Torches Casino under the lease issued to the

1 appropriation by the Tribe August 17th and December
2 29th, 1995.

3 And read further that the Corporation by
4 (INAUDIBLE, 42:51, TELEPHONE RINGING) and each of them
5 is hereby authorized and (INAUDIBLE, 42:53) in the
6 name and (INAUDIBLE, 42:58), and shareholders and
7 Board of Directors of the Corporation regarding the
8 purchase of the Corporation (INAUDIBLE, 43:08) all of
9 the assets of the assets of FDC related to the
10 original purchase of the casino as described, therein.

11 A copy of the Purchase Agreement is hereby deemed
12 ordered to be filed with the Records of the
13 Corporation, and we also resolve that any and all
14 additional communication, instruments, and
15 certificates contemplated and required as necessary or
16 appropriate (INAUDIBLE, 43:25) other transactions
17 contemplated (INAUDIBLE, 43:30) are approved with such
18 date (INAUDIBLE, 43:31), should have two Officers who
19 shall execute the purchase agreement and such initial
20 agreement, instruments, documents, and shall approve
21 (INAUDIBLE, 43:41) by such individuals be conclusive
22 evidence of their approval of an such changes or
23 additions

24 Be it further resolved that the Officers of the

1 Corporation be and is each hereby authorized to
2 deliver the Purchase Agreement subject as shown in
3 these documents and (INAUDIBLE, 43:59) so executed
4 (INAUDIBLE, 44:00) other parties there who against
5 delivery to the Corporation of the Purchase Agreement
6 but that additional agreement, instruments, documents
7 (INAUDIBLE, 44:06) by the other party.

8 Thereto, be it further that Article 4 of Articles
9 be reaped as needed (INAUDIBLE, 44:15), Article 3, and
10 also that Article 3, (INAUDIBLE, 44:16) be amended in
11 its entirety to be the sole shareholder of the
12 Corporation of the Tribe and interest of the
13 Shareholder shall be represented for all purposes by
14 Members of the Tribal Council who shall represent the
15 shareholder's interest (INAUDIBLE, 44:34) issued only
16 during the term of office.

17 And be it further resolved that the loan from the
18 Corporation of the FDC for purposes of the FDC loan,
19 Grand Soleil, as described above is hereby approved.

20 And be it further that the Officers of the
21 Corporation be and then is hereby is authorized
22 (INAUDIBLE, 44:49) directed in the name and on behalf
23 of the Corporation that such loan documents as may be
24 required to loan funds to the FDC (INAUDIBLE, 44:59).

1 A copy of such loan document hereby being ordered to
2 be filed into to the Records of the Corporation.

3 And may all three resolve that any and all
4 additional agreements of these service documents
5 (INAUDIBLE, 45:09) contemplated and required as
6 necessary, appropriate for the effectuation of the
7 transaction contemplated by the loan documents or
8 approved with such changes varying on the addition.
9 There to the Officers who shall keep the loan document
10 and such additional agreements, instruments,
11 documents, shall approve the signing thereof by such
12 individuals (INAUDIBLE, 45:29) twofold.

13 Any such changes or additions can be assertive as
14 Officers of the Corporation be and at least
15 (INAUDIBLE, 45:34) is authorized to deliver the loan
16 documents and such additional agreements, instruments,
17 documents (INAUDIBLE, 45:42) so executed the other
18 parties thereto (INAUDIBLE, 45:46) loan documents,
19 and such additional agreements, documents, and
20 instruments shall be (INAUDIBLE, 45:49) by the other
21 party thereto.

22 Be it further resolved that officers of the
23 Corporation be and so that it is hereby authorized in
24 authority to take all but further action (INAUDIBLE,

1 46:00) as their sole discretion and especially be
2 necessary, proper, and hereby advisable in order to
3 carry out the essential intent and to accomplish the
4 purpose for the (INAUDIBLE, 46:10) Resolutions and
5 fully perform the obligations and appropriations again
6 (INAUDIBLE 46:14) documents get delivered pursuant
7 thereto. And finally resolve that any and all actions
8 heretofore (INAUDIBLE 46:22) made by the Officers of
9 the Corporation consist of (INAUDIBLE 46:30) foregoing
10 Resolutions be and they hereby are ratified, confirmed
11 and approved in all respects.

12 MURIEL FRALICK: Can you summarize that in all
13 one paragraph and tell me what were you reading?

14 BEVERLY BAUMAN: What was she reading?

15 MIKE CHRISTENSEN: There was one thing in there
16 that you read about two signatures.

17 GERALDINE BROWN: For the Resolution?

18 MIKE CHRISTENSEN: You were reading fast and all
19 you said was two signatures and the FDC --

20 GERALDINE BROWN: You talk fast.

21 CARL EDWARDS: -- and the FDC -- what is the FDC?

22 MIKE CHRISTENSEN: Federal Development
23 Corporation.

24 CARL EDWARDS: Oh, I thought you said FCC. It is

1 hard to hear back here.

2 FEMALE VOICE: That was a lot of reading.

3 **END OF TAPE 2 - SIDE A**

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TAPE 2 - SIDE B

BRIAN PIERSON: I drafted it and I know it is
legalese and gobbledy.

MURIEL FRALICK: So can you summarize it?

BRIAN PIERSON: Sure.

MURIEL FRALICK: So I can understand it?

BRIAN PIERSON: Absolutely. I tried to divide
the whereas clauses by topic so in order for the EDC
to become an owner of the entire Lake of the Torches
Resort Casino, there are several documents. An Asset
Purchase Agreement is the main document. It's the
Agreement whereby the Federal Development Corporation
transfers, no money changing hands, all of its
interest in the LOTC Resort Casino to the Economic
Development Corporation.

Even though they are both subsidiary corporations
of the Tribe and therefore, in now way adversarial to
each other, we still have to have a legal
documentation for it so that if anybody ever asks, you
know, who owns the Corporation, you will be able to
show that the assets were in the FDC and now have been
transferred.

So that's what the first whereas clause is all
about. They go through that history of how it came

1 about, the EDC was owning and operating the Hotel
2 Casino and the FDC was owning and operating the -- I
3 am sorry, the EDC is the Hotel and Convention Center
4 and the FDC was the Casino. And just that division or
5 ownership in management is -- the very last clauses
6 were in my best understanding were based on discussion
7 with Tribal people, people from the Tribe with Bill
8 Gelcher (phonetic) -- over the years, stuff I knew.
9 So my understanding of this is reflected here and Bill
10 Gelcher can confirm this and the drafts were
11 circulated.

12 The second part of this Amendment of the
13 Articles, really a very minor one, Bill Gelcher
14 (phonetic) sent me an email several weeks ago about
15 this. Why do our Articles say that we are a non-
16 profit Corporation? And I puzzled over this and I
17 asked one of our corporate guys and there was also
18 standard language that was used for the Articles, for
19 the Bylaws and 501-C3 Corporation.

20 It says that none of the profits will (INAUDIBLE,
21 4:08) to the benefit of any private individual. And
22 if you didn't change this, it would be okay, it's just
23 it is odd to have it as a non-profit corporation.

24 Actually what it is, is it is a for-profit

1 whose single Shareholder, the Tribe, is already a
2 nontaxable entity.

3 And it would just confuse people to continue
4 to -- it was using language that made it sound like it
5 was trying to hold itself out like a 501-C3. But to
6 be a 501-C3 you have to be engaged in charitable
7 activities. Whatever your interpretation of gaming,
8 and I am very favorable disposed to gaming myself, I
9 don't regard it as a charitable undertaking. That was
10 just sort of fixing up the Bylaws.

11 And I think what was going on there for a little
12 historical digression, I think at the time this was
13 Bill's guess, and it made sense to me, there were
14 Bills in Congress taking Tribes, particularly taxing
15 casino revenue, and he thought by throwing in that
16 language maybe you could qualify for 501-C3 status.
17 Well, you know, both bills have not gone anywhere. I
18 know bills like that and even if it were that language
19 wouldn't help.

20 The third major thing adjoined with this is the
21 loan to the FDC. Remember it's the FDC that a member
22 of the LLC Grand Soleil so they need the money to loan
23 to the LLC. The issuer of the bonds has to be the
24 entity that has the casino revenue to pledge, so the

1 EDC is borrowing the money from Saybrook and then they
2 have to get it to the FDC which in turn loans it to
3 the LLC.

4 So the third thing we are accomplishing by this
5 is the approval of the loan from the EDC to the FDC,
6 and that is it. Those are the three items covered by
7 the Resolution.

8 MURIEL FRALICK: Why do we have to transfer them?
9 Why do we have to transfer the casino to the EDC?

10 BRIAN PIERSON: You don't have to, this is
11 something that's been discussed by Leadership over the
12 last few years.

13 MURIEL FRALICK: I know it is in the works; I am
14 just trying to understand the reality of why.

15 BRIAN PIERSON: I think it was because the
16 division was considered like a historical accident and
17 people who were around then might know better than me,
18 but I believe that if the FDC Charter had been
19 approved by the Secretary of the Interior earlier, Al
20 Bacall, who was legal counsel at the time probably
21 would not have bothered with the EDC and all the loans
22 would have been made by the FDC.

23 The Tribe ended up with these two Corporations
24 and yet Lake of the Torches Casino is operated under

1 one CEO, Bill Gelcher (phonetic) and it is marketed to
2 the public that as one -- as one entity and just for
3 operational simplicity and logic the idea was it makes
4 more sense to consolidate. Under the FDC, we do the
5 off-Reservation stuff, and the EDC would just do LOTC
6 Casino.

7 MURIEL FRALICK: Well, are they securing us in
8 any way by doing this? Are they securing anything for
9 the tribe? Is that part of the reason of doing it?

10 BRIAN PIERSON: I mean part of the reason is the
11 bond deal would be more complicated because we would
12 be then -- it would be more complicated because two
13 separate entities would have to pledge.

14 The main thing driving this is the casino
15 revenue, but I think the hotel revenue is (INAUDIBLE,
16 7:45). That's all the Corporation revenue, so that
17 would have complicated it. I think primarily the
18 reason of simplifying the management and the
19 structure.

20 So now going forward, you know your CEO, it is
21 clear to him that he is not balancing two corporations
22 in running that thing over there. The facility is all
23 under one corporation and under one management
24 structure.

1 MURIEL FRALICK: I have one other question,
2 because I am not going to be signing the applications
3 for the license, will you be changing the \$50 million
4 dollar figure in this resolution if it gets passed?

5 KEVIN SHIBILSKI: That effectively becomes \$41
6 from that reserve, it is hardly being spent, it is
7 sitting there, you pay it off. If we change the
8 amount of the borrowing, then we undo all of this. If
9 you just refuse to apply, the effect of the result of
10 that consequence is clear, that \$9 million or \$8.75 is
11 not going to be released. You have real power, you
12 have to stay

13 MURIEL FRALICK: So we have to stay at the \$50
14 million at this point?

15 KEVIN SHIBILSKI: Yes, to do the bond deal as we
16 structured, yes, but you shut down, \$9.

17 CARL EDWARDS: Call for the question.

18 VICKI DOUD: (INAUDIBLE, 9:16) all those in
19 favor, say aye.

20 ALL: Aye.

21 VICKI DOUD: Opposed.

22 MURIEL FRALICK: I oppose.

23 TOM MAULSON: Opposed.

24 VICKI DOUD: Three opposed, one abstention,

1 Resolution carried.

2 TOM MAULSON: I may have to borrow the money?

3 CARL EDWARDS: (INAUDIBLE, 9:33) Resolution for
4 the Federal Development Corporation, Resolution
5 approved borrowing of the -- from the EDC and the loan
6 to the Grand Soleil which is Number 4 on your sheet
7 and it starts out with: Federal Development
8 Corporation, only one ahead on top of it.

9 MURIEL FRALICK: What does it start off with?

10 CARL EDWARDS: Federal Development Corporation,
11 on top, it says transferring assets, if you look at
12 your sheet.

13 MURIEL FRALICK: Certain assets? Does it say
14 certain assets?

15 CARL EDWARDS: There it is.

16 MURIEL FRALICK: Will somebody please read that
17 for me?

18 CARL EDWARDS: Yes.

19 (INAUDIBLE, 10:09, TALK OVER)

20 CARL EDWARDS: Do you want an adoption on the
21 second?

22 (INAUDIBLE, 10:29, TALK OVER)

23 BRIAN PIERSON: It is the only resolution of the
24 Federal Development Corporation at the very top in the

1 caption. There are two Tribal resolutions and two EDC
2 Resolutions. There is only one (INAUDIBLE, 10:45,
3 TALK OVER). This one accomplishes three things: It
4 transfers the assets to the EDC.

5 MURIEL FRALICK: Certain assets?

6 BRIAN PIERSON: Certain assets. That's because
7 it's not transferring, for example, its interest in
8 Grand Soleil, and I don't know, maybe the FDC is
9 involved in the hotels, too. It's only -- I say
10 certain assets because it is transferring in Lake of
11 the Torches Resort Casino.

12 It is also the approval of the borrowing of the
13 funds from the EDC and then turning around and
14 approving the loaning of those funds to Grand Soleil.
15 And those are the bond proceeds.

16 Whereas Lake of the Torches Federal Development
17 Corporation, and in this one, we call it, the
18 Corporation is the FDC, is a Corporation chartered by
19 the Secretary of the Interior pursuant to Section 17
20 of the Indian Reorganization Act, 25 USC, Section 477,
21 and wholly owned by Lac du Flambeau band of Lake
22 Superior Chippewa Indians, a federally recognized
23 American Indian Tribe, organized pursuant to the
24 Indian Reorganization Act of 1934.

1 Whereas the Board of Directors of the Corporation
2 is the governing body of this Corporation pursuant to
3 its Articles of Incorporation and Bylaws and whereas
4 the Corporation's Articles of Incorporation provides
5 that the Board of Directors has the authority to do
6 all things necessary to actively and aggressively
7 participate in all matters pertaining to the social,
8 economic, and industrial welfare of the Lac du
9 Flambeau band of Lake Superior Chippewa Indians and to
10 engage in any lawful act or activity which may be
11 necessary or appropriate for carrying out and
12 accomplishing any of the foregoing objects approaches,
13 aside, that language is drawn from the Bylaws.

14 Whereas Lake of the Torches Economic Development
15 Corporation herein after referred to, as the EDC is a
16 Corporation chartered under Tribal law, both wholly
17 controlled by the Tribe. And whereas on August 17,
18 1995, the Tribe issued a lease to the EDC for parcels
19 of land comprising of the site of Lake of the Torches
20 Casino, Lac du Flambeau, Wisconsin, herein after,
21 Casino.

22 Whereas on December 29, 1995, the Tribe issue a
23 lease to the EDC for parcels of land comprised of the
24 site of Lake of the Torches Hotel and Convention

1 Center and adjacent parking area of Lac du Flambeau,
2 Wisconsin, herein after collectively as the Hotel.

3 Whereas the EDC has continued to own and operate
4 the Hotel since 1996, and whereas the EDC assigned its
5 lease on the Casino to the Corporation that is the FDC
6 by a lease assignment dated September 1, 1995. And
7 whereas the Corporation has continued to own and
8 operate the Casino since 1995 and whereas, the Casino
9 and Hotel are operated and promoted as a single
10 business known as the Lake of the Torches Resort and
11 Casino.

12 Whereas the division of the Lake of the Torches
13 Resort Casino ownership and management between the
14 Corporation and the EDC was made aware to facilitate
15 the separate financing of the hotel and Casino in 1995
16 an 1996, and whereas the 1995 and 1996 known as the
17 financed construction of the Casino and hotel have
18 been paid off.

19 And whereas, the division of the Lake of the
20 Torches Resort Casino ownership and management has
21 created inconvenience operationally and confusion
22 among outside entities. And whereas the Tribe's
23 business strategy provides that ownership and
24 management of all components of Lake of the Torches

1 Resort Casino be consolidated under the EDC and
2 whereas the Tribe's business strategy provides that
3 the Corporation that is the FDC focus its economic
4 development activities on opportunities outside the
5 Reservation.

6 And whereas the Corporation understands that
7 William Gelcher (phonetic) heretofore, Chief Executive
8 Officer of the Corporation and EDC shall follow in the
9 consolidation of the Lake of the Torches Resort Casino
10 under the EDC no longer hold the position of Chief
11 Executive Officer of the Corporation but shall
12 continue and manage Lake of the Resort Casino as Chief
13 Executive Officer of the EDC.

14 Now the next set of whereas clauses relate to the
15 loan from the Corporation to Grand Soleil using funds
16 borrowed from the EDC, the bond proceeds. Whereas the
17 Corporation is a member of Grand Soleil Natchez, LLC,
18 a Mississippi limited liability company herein after
19 referred to as Grand Soleil which is developing a
20 gaming complex at Natchez, Mississippi consisting of a
21 riverboat casino, a hotel and a bed and breakfast inn
22 collectively called herein after Grand Soleil Project.

23 Where as there are certain outstanding bank
24 loans, the bank debt, which have been incurred to

1 finance the Casino and the Grand Soleil Project and
2 the Corporation has determined to refinance and
3 consolidate the bank debt, and whereas, the
4 Corporation as a member of Grand Soleil is in need of
5 funds to loan to Grand Soleil in order to finance a
6 portion of the Grand Soleil Project and whereas to
7 provide financing for purposes of: 1) consolidating
8 and refinancing the bank debt; 2) Providing funding
9 for the Grand Soleil Project; 3) Funding a debt
10 service reserve, and 4) Paying certain cost of issuing
11 the bond on referenced below.

12 The EDC proposes to issue its \$50 million dollar
13 taxable gaming revenue bonds Series 2008, herein after
14 the Bond, all pursuant to a Trust indenture dated
15 January 1, 2008, between the EDC and Wells Fargo Bank
16 National Association as Trustee for the bonds. And
17 whereas the EDC has agreed to loan to the Corporation
18 from bond sale proceeds funds that the Corporation in
19 return will loan to Grand Soleil, LLC for purposes of
20 the Grand Soleil Project and whereas the loan from the
21 Corporation to Grand Soleil, LLC will be repaid by
22 Grand Soleil, LLC, at a rate of interest that is 2.25
23 percent. That should be changed to 2.75 percent
24 higher than the rate of interest paid by the EDC to

1 the bond holders.

2 And whereas the Corporation will act as a
3 conduit by transferring loan payments from Grand
4 Soleil to the EDC for the EDC's use in making the
5 required payments to the bond holders.

6 And whereas the Board of Directors has determined
7 that no laws, ordinances, resolutions or other actions
8 of the Board of Directors, Tribe, or any other
9 agencies or instrumentalities of the Tribe either
10 written or established by tradition prohibit the Board
11 of Directors of approving the bonds from the EDC or
12 the loan of bonds to Grand Soleil, LLC as described
13 above or from entering into any of the foregoing
14 agreements by the indicated party or being create any
15 obligation of the Board of Directors to submit these
16 matters of approval of or consent from any Officer,
17 bond agency, or instrumentality of the Tribe, or any
18 vote by Tribal Members of the Tribe.

19 And whereas the Directors and sole shareholder of
20 the Corporation believe the aforementioned
21 consolidation of the Lake of the Torches Resort Casino
22 ownership and management and 2) Loan from the
23 Corporation to Grand Soleil, and 3) Borrow the funds
24 from the EDC to be in the best interest of the

1 Corporation. And its said sole shareholder, now
2 therefore be it, and these are now in a matter or
3 order of subject matter. The first group is
4 resolutions relatc to the EDC.

5 Be it resolved that the transfer of the
6 Corporation's assets relating to the Lake of the
7 Torches Resort Casino to the EDC is hereby approved.
8 And be it also resolved that the termination of the
9 Corporation's lease assignment on the premises of the
10 casino is hereby approved.

11 And be it further resolved that the Officers of
12 the Corporation be it each of them hereby is
13 authorized, and powered and directed in the name and
14 on behalf of the Corporation to execute that certain
15 Asset Purchase Agreement by and between the
16 Corporation and the EDC in substantially the forms
17 submitted to the sole share holder and the Board of
18 Directors of the Corporation regarding the purchase by
19 the Corporation of substantially all the assets the
20 seller has described in the Purchase Agreement.

21 A copy of the Purchase Agreement hereby being
22 ordered to be filed with the Director of the
23 Corporation; we have also resolved that any and all
24 additional agreements, instruments, documents and

1. certificates contemplated and required necessary or
2. appropriate for the effectuation of the transaction
3. contemplated by the Purchase Agreement are hereby
4. approved with such changes there and additions thereto
5. as the Officers who shall execute the Purchase
6. Agreements such additional agreements, instruments,
7. documents and certificates shall approve the signing
8. by such individuals be inclusive evidence of their
9. approval of any such changes or additions.

10. And be it further resolved that the Officers of
11. the Corporation being each of them is hereby
12. authorized to limit the Purchase Agreement and such
13. agreements, instruments, documents, and certificates
14. still executed to the other parties thereto against
15. delivery to the Corporation of the Purchase Agreement.
16. Such additional agreements, instruments, document and
17. certificates executed by the other parties thereto.

18. And be in further resolved that William Gelcher
19. (phonetic) heretofore the Chief Executive Officer of
20. the Corporation for purposes of managing Lake of the
21. Torches Resort and Casino shall no longer hold that
22. position and is hereby relieved of all duties relating
23. to the Corporation.

24. And be it further, these next relate to the Bond

1 funds from the EDC. Be it resolved that the borrowing
2 of funds from the EDC as described above is hereby
3 approved and be it further resolved that the Officers
4 of the Corporation be and each of them hereby is
5 authorized to power directed in the name and on behalf
6 of the Corporation to execute such promissory notes
7 and other documents hence thereafter called the EDC
8 Loan Documents as may be required to borrow funds from
9 the EDC as described above.

10 A copy of such loan documents hereby being
11 ordered to be part of the Corporation. And be it also
12 resolved that any and all additional agreements,
13 instruments, documents and certificates contemplated,
14 required necessary and appropriate for the
15 effectuation of the transactions contemplated by the
16 EDC loan documents are hereby approved.

17 With such changes therein and additions thereto
18 that the Officers who shall execute the EDC loan
19 documents and such additional agreements and
20 instruments, documents or certificates shall approve
21 the signing thereof by such individuals in conclusive
22 evidence of their approval of any such changes or
23 additions.

24 Be it further resolved that the Officers of the

1 Corporation be and each of them hereby is authorized
2 to deliver the EDC loan documents and such additional
3 agreement, instruments, documents and certificates so
4 executed to the other parties thereto again. They
5 will bring to the Corporation of the EDC loan
6 documents and such additional agreements, instruments,
7 documents and certificates executed by the other party
8 thereto.

9 And be it further these are now resolutions
10 relating to Corporation known to be Grand Soleil. Be
11 it resolved that the loan drawn by the Corporation to
12 Grand Soleil, LLC, as described above is hereby
13 approved. And be it further resolved that the
14 Officers of the Corporation and each hereby is
15 authorized in part and directly in the name of and on
16 behalf of the Corporation to execute that such
17 documents, Grand Soleil loan documents, has made and
18 required the loan fund for Grand Soleil as described
19 above, a copy of such loan documents hereby being
20 ordered to be filed with the Records of Incorporation.

21 And be it also resolved that any and all
22 additional agreements, instruments, documents and
23 certificates contemplated and described necessary or
24 appropriate for the effectuation of the transactions

1 contemplated by the Grand Soleil loan documents
2 including as necessary (INAUDIBLE, 22:10, POOR TAPE
3 QUALITY) that the Officers who shall execute the Grand
4 Soleil loan documents (INAUDIBLE, 22:18, POOR TAPE
5 QUALITY) therein approve. The signing thereof by such
6 individuals will be conclusive evidence of their
7 approval of any such changes or additions.

8 And be it further resolved that the Officers of
9 the Corporation be, and each of them hereby is,
10 authorized to deliver the Grand Soleil loan documents
11 and such additional agreements, instruments, documents
12 and certificates so executed to the other parties
13 thereto against the delivery to the Corporation known
14 as the Grand Soleil loan documents and such additional
15 agreements, instruments, documents and certificates as
16 executed by the other parties entered.

17 And be it further resolved that the Officers of
18 the Corporation be, and each of them hereby is,
19 authorized and empowered to take all such further
20 action in the name of and on behalf of the Corporation
21 as they in their sole discretion view as necessary,
22 proper or advisable in order to carry out the
23 essential intent and to accomplish the purposes of the
24 foregoing resolution and fully perform the obligations

1. of the Corporation contained in each of the
2. agreements, instruments, documents and certificates
3. delivered and shown in (INAUDIBLE, 23:17, POOR TAPE
4. QUALITY).

5. And be it further resolved that any and actions
6. heretofore taken or caused to be taken by the Officers
7. of the Corporation consistent with intent or purposed
8. with the foregoing Resolution be and hereby are
9. ratified, confirmed, approved in all respects. Don't
10. ask me to read it again.

11. TOM MAULSON: I have a question; I have a couple
12. of them.

13. VICKI DOUD: Tom?

14. TOM MAULSON: Page 3 of the (INAUDIBLE, 23:43) in
15. reference to the -- there is a provision in there that
16. talks about (INAUDIBLE, 23:46, POOR TAPE QUALITY) and
17. the third, fourth word on the very bottom it's
18. definitely identified any vote by Members of the
19. Tribe. Why was that in there? What is your perfect
20. (INAUDIBLE, 24:08) then?

21. BRIAN PIERSON: That I believe was -- may have
22. been a request from -- I believe that was the request
23. of the bondholders. I have to check. You know, there
24. have been a lot of phone conversations and emails back

1 and forth over the last 6 weeks, but I think that's
2 there (INAUDIBLE, 24:28).

3 TOM MAULSON: Could this jeopardize something if
4 we don't allow the Membership to vote, or if you want
5 to call it Stockholders?

6 BRIAN PIERSON: No, it couldn't because what this
7 is saying is that the Board has made its
8 determination. This is an issue that I addressed
9 briefly earlier on and that, Tom, as you know, has
10 come up over the last 10 years. Again, there's the
11 legal issue and there's the political issue.

12 There is no question and it is authoritative that
13 solicitors opinion on this which when Tribes formed a
14 corporation, it is a separate and legal entity from
15 private government. And constitutional restrictions
16 on Tribal government including the one we are all
17 aware of under the Tribe's Constitution (INAUDIBLE
18 25:10, POOR TAPE QUALITY) assets don't apply these
19 private Corporations.

20 Now that's a separate issue from, you know, your
21 communications with your constituents and whether or
22 not you want to put that out for the sense of the
23 community. Legally it is not required. Whether or
24 not politically it is a wise thing to do is a separate

1 question.

2 TOM MAULSON: My second question is on Page 5.

3 And that's the Resolution, one, two, three, resolved,
4 in about the center, it says a limited waiver in the
5 Corporation's community. What does the Corporation
6 have when it have, when it carried their Tribal hat
7 into this Corporation subject to, I mean, could a
8 Tribal member sue us for zero active duties or --

9 BRIAN PIERSON: No, enough.

10 BRIAN PIERSON: Tribal Corporations, the law is
11 pretty well settled on this. If a Corporation is
12 owned and controlled by a Tribe, it shares the Tribe's
13 immunity from suing, your housing authority's immunity
14 from suing. The FDC has immunity from suit.

15 The EDC has immunity from suit. This was put in
16 because the documentation for the (INAUDIBLE, 26:32)
17 the loan going from the FDC to the LLC, wasn't sure
18 whether it was a paid thing in there, I would not
19 offer it to them, a waiver to the FDC's immunity. I
20 don't think it should be required because the FDC will
21 be the one making the loan, so I would like to avoid
22 that issue, but I put it in the Resolution just in
23 case, you know, the purchasers of the bond raising -
24 I didn't want to have to come back. I mean, this is

1 certainly something that needs to be taken care of.

2 TOM MAULSON: I mean, what they call a limited
3 waiver, what do you mean by limited, 25 percent, 50
4 percent, 75 percent limited?

5 BRIAN PIERSON: You know, limited, but in
6 practice all of these waivers that the Tribe has
7 entered into since 1995 on basically provide, they
8 usually provide for -- well, it's a limited waiver,
9 limited only to the --

10 TOM MAULSON: To this issue.

11 BIRAN PIERSON: Yes, and the other party that
12 you're are entering into the contract with, so it is
13 limited in that sense. The Tribe usually puts in
14 there that it is limited to federal court unless the
15 federal court rejects jurisdiction, then the Tribe
16 agrees to stay put. And there is no federal
17 jurisdiction, so as a practical matter you are being -
18 -

19 MALE SPEAKER: (INAUDIBLE, 27:49).

20 BRIAN PIERSON: Thank you. But, you know, it is
21 for enforcement of these particular agreements, so
22 whether it was (INAUDIBLE, 27:59) in 1995 that gave
23 you 10.7 or Saybrook that's going to forward the \$50
24 million, we want a waiver saying if we don't get paid

1 back, we have remedies, we have suit.

2 VICKI DOUD: Any other questions?

3 HAROLD JACKSON: Yeah, I have a question. I
4 listened to a lot of recent talk here, you know,
5 trying to question (INAUDIBLE, 28:25) in the last
6 (INAUDIBLE, 28:27) and then you hear one final word of
7 conversation on liabilities and indemnifications,
8 whatever, and reality, in the real world, we really
9 talking about who takes the hit. There is no
10 discussion here.

11 Nobody has been willing to discuss who, which it
12 will be here, just who will take the ultimate hit if
13 this money is spent and squandered? Now, you never
14 once said (INAUDIBLE, 29:02). Or a liability, who
15 takes the hit?

16 For instance, say the Tribe doesn't want to
17 operate this casino anymore, I don't think the Council
18 will allow that, but there are tribal members here who
19 might say, well, we're not going to let this casino
20 operate, and they could do that, they can take the
21 casino to the ground and just say, we are going to --
22 we're screwing that or whatever.

23 You know, that's a self-imposed liability.

24 When the money comes down and it's honest. But none

1 of you have talked about that and been honest about
2 that because you haven't told any of these Indians in
3 here that they're going to be piss poor, out-of-
4 pocket, without any money.

5 They will be looking at each other saying what
6 happened to it, you know, who did this, who is liable
7 for it? Is it the bond company that has the
8 liability or is it this Corporation that we are going
9 to bed with? Commit this so-called legal (INAUDIBLE,
10 30:14).

11 All I have seen is some greasy legal talk. This
12 Corporation is going to stick it to this Tribe.
13 That's it. The only one that's going to be liable for
14 this are my fellow band members and they may not even
15 copy each other, they may not even like each other,
16 but they will be just as broke, just as poor, each
17 one.

18 BRIAN PIERSON: Well we can't tell you, if our
19 money is (INAUDIBLE, 30:44) question, you are saying
20 what -- if Lake of the Torches Resort Casino is
21 pledged to -- that revenue is pledged to repay this
22 and the Members choose to shut that down, I think it
23 is pretty clear, Kevin, weigh in on this that in that
24 event, the bonds are callable, what would happen?

1 KEVIN SHIBILSKI: You would be forced to
2 refinance the account (INAUDIBLE, 31:15) bonds would
3 come to receivership.

4 BRIAN PIERSON: There would be bad consequences
5 if you -- it's true you can't pledge assets to repay a
6 debt and then shut down the source of repayment
7 without adverse consequences. Would any of the Tribal
8 members be personally liable? No.

9 Would it diminish the tribe's ability to deliver
10 services? Probably, probably there would be bad
11 consequences. But you know, they are not greasy, it's
12 just the language of the law is not every day speech.
13 I don't talk like this every day, either. One of our
14 corporate guys, they do this because of long
15 experience.

16 Lawyers learn to think of everything, put it in
17 language in daily speech you would never use. This
18 language is no different than what is used for most
19 asset loans and resolutions of corporations. It is
20 very standard type of language, believe it or not --
21 natural language.

22 HAROLD JACKSON: You know, because in your own
23 way you just told us that this Tribe and these Tribal
24 members cannot sue this corporation in Federal court,

1 we can't go to court for it and neither can they. The
2 only thing that we can do is come here on a given a
3 day, set time and place, and bitch about it.

4 And that's all - that's only recourse that Indian
5 Tribes are allowed under this Federal Development
6 Corporation rules to screw us out of our assets;
7 that's the crux and basis of Cobell (phonetic) lawsuit
8 going through a Federal court system, that reality
9 alone that all the Tribes be screwed royally. And in
10 your language, it's just a passive freedom tag. Yes,
11 we have separate laws for corporate issues and
12 opinions and one is: You can't go to Federal court to
13 get your money back.

14 BRIAN PIERSON: Most people consider the Tribal
15 side of the union a good thing. It's actually from
16 lawsuits by third parties and it protects Tribal
17 treasuries, I mean, I don't know --

18 HAROLD JACKSON: It doesn't protect our assets,
19 in this case.

20 BRIAN PIERSON: It doesn't protect the casino,
21 that alone, that is being pledged to pay us back,
22 that's true.

23 HAROLD JACKSON: There should be some
24 indemnification, insurance, whatever offered along

1 with this.

2 BRIAN PIERSON: What kind of indemnification do
3 you mean? I am trying to understand what you mean.

4 HAROLD JACKSON: There should be some kind of a
5 guarantee, some kind of insurance policy that
6 guarantees the loan.

7 BRIAN PIERSON: That would insure against?

8 HAROLD JACKSON: Against our loss through gross
9 mismanagement or failure in action.

10 BRIAN PIERSON: There you go, and I mean, Kevin
11 said before --

12 HAROLD JACKSON: Every corporation that I know of
13 takes out insurance like that, to insure their assets
14 to make sure -- General Motors, Ford, to Halliburton,
15 to anybody else, even the Federal government, to make
16 sure that whatever they execute will be delivered.
17 But in this case, you're saying the Tribe doesn't have
18 anything.

19 BRIAN PIERSON: The Tribe has insurance. Lake of
20 the Torches is insured. I haven't seen it.

21 BETTY JACK: Cato is suing the Corporation.

22 (INAUDIBLE 34:38, TALK OVER).

23 BRIAN PIERSON: I have to kind of take my orders
24 from the Chair. I will be glad to respond if the

1 Chair will let me. I'm sorry, go ahead.

2 BETTY JACK: Cato is suing the Corporation, but
3 Tribal members can't?

4 BRIAN PIERSON: Well, here is my understanding,
5 again, I explained about this earlier and I am not
6 representing the Tribe on this so, it's just from my
7 input. He sued the Tribe in a Federal district court
8 in Florida. The suit was dismissed. My guess is that
9 the Tribe is immune from suit by him; so far he has
10 not successfully sued.

11 BETTY JACK: Tribal members can't sue a
12 corporation.

13 BRIAN PIERSON: Tribal members can sue a
14 corporation they just can't sue a corporation that is
15 wholly owned by the Tribe without the Tribe waiving
16 suit. Just like, you know, construction contractors
17 can't sue the Tribe unless the Tribe waives immunity.
18 You know, most Tribes guard their immunity pretty
19 closely and they don't redeem waiver at all, but they
20 all have to waive it whenever people start loaning
21 them millions of dollars. You have to recognize that
22 the people who are risking millions of dollars will
23 require that they get a waiver so that if the thing
24 goes sour they have avenues.

1 BETTY JACK: The Tribal Council is also the Board
2 of Directors of the Corporation, where to they fit
3 into the whole scenario? If we are going to put the
4 whole thing up, what if the \$50 million, what if they
5 walk off (INAUDIBLE, 36:37) what happens to the
6 corporation, is it no longer, then?

7 BRIAN PIERSON: Oh sure there's a corporation.
8 What the consolidation does is it -- right now there
9 are two corporations for Lake of the Torches Resort
10 Casino. Lake of the Torches Economic Development
11 Corporation and this is kind of (INAUDIBLE, 36:57) of
12 history from the 1995 original funding. Lake of the
13 Torches Economic Development actually has a lease on,
14 owns and operates the hotel and the convention center.

15 Lake of the Torches Federal Development
16 Corporation has a lease on actually, actually has
17 signed that lease, on Lake of the Torches casino. So
18 it is kind of an oddity because both think of it as
19 one. It has the same management structure, but it is
20 divided. The Economic Development Corporation will
21 continue on as a separate corporation, its only
22 activity that will be to own and operate Lake of the
23 Torches Economic Development function, Lake of the
24 Torches Resort.

1 Lake of the Torches Federal Development
2 Corporation will also continue and I don't know
3 exactly what the full scope of its activities, but I
4 know one, I know is that it is a member of and owner
5 of this LLC that's building Natchez, so the two
6 corporations will continue.

7 BETTY JACK: I have a question. You are getting
8 paid here by the Tribe for your job? How much do you
9 get paid for the man sitting next to you? Do you get
10 paid by him to drop all the rig-a-ma-roll?

11 BRIAN PIERSON: (INAUDIBLE, 38:37) it would be
12 mind numbing. I am not being paid off by a legal or
13 mental obligation to the Tribe, which is (INAUDIBLE,
14 38:23). I take direction from the elected leadership
15 and do the best I can. I know there is an opinion
16 divided. I appreciate that and I respect that.

17 MURIEL FRALICK: What is your opinion of the loss
18 of business insurance? Should we be getting more
19 insurance for the loss of business so that we can pay
20 these debts if something should happen to our casino?

21 BRIAN PIERSON: I can't that say that I know I
22 looked at that issue. Maybe loss of business
23 insurance has -

24 RICK LINDSLEY: Saybrook has requested that point

1 of issue in order to be certain the subject does have
2 the casino -- they want to make sure they have it
3 fully insured. So (INAUDIBLE, 39:13) discussed that
4 issue.

5 MURIEL FRALICK: And can you also ensure me that
6 there is anything in this document that will allow one
7 person to go out and borrow millions of dollars to
8 support this other corporation, there is nothing in
9 this legalese that allows that?

10 BRIAN PIERSON: No, no, I can guarantee that.

11 TOM MAULSON: Does this leave the door open for,
12 I guess, what I would call a more elaborate Lake of
13 the Torches because I believe there was a question
14 about how many times can we leverage the fund of the
15 Lake of the Torches?

16 I guess my question would be to the rest of this
17 Tribal Council, this governing body, are we going to
18 move forth because now, after tonight are we saw that
19 this here loan will go through and will definitely
20 take a pressure off, I guess our Treasurer or monies
21 that we do owe out there that we, hoping that we
22 don't, pledge any more Lake of the Torches, can we
23 resolve these here issues once and for all because we
24 got a lot to clean up because we are looking at Bill

1 coming over here in the next couple of months or
2 whatever.

3 He's going to say I want another \$50 million to
4 do a major expansion across the road, and you know and
5 I know that we are leveraged out, I think, I don't
6 know. "I guess that's my -- I am asking that question.
7 I will allow you to my colleagues here.

8 RICK LINDSLEY: But then, Tom, if I may, as I
9 said before then Steve Stifel and Robert Baird, they
10 still had your legal lending money was probably --
11 your asset was probably around \$65 million, let's say,
12 \$65 so from a standpoint financially, can you?

13 Yes, but realistically people aren't going to
14 want to take the position to giving you a \$50 million
15 dollar bond offering for the bond offer or \$12 million
16 or whatever the amount comes to be.

17 And the other thing, too, is that Saybrook has
18 the ability to look at the money that does come
19 through so there are going to have to be an awful lot
20 of answers before that's done. My opinion is that you
21 would want the books being looked at, you know, until
22 we get a substantial income. And again, we positioned
23 this so we could refinance for Grand Soleil, we did
24 have Saybrook come in from (INAUDIBLE, 42:04).

1 (INAUDIBLE 42:19, TALK OVER)

2 HAROLD JACKSON: I just have a comment, a short
3 comment, listening to what you read and all what the
4 readers read and your documents, I have to say that
5 there is only one person in all of these documents
6 that will rise up out of this whole scenario, totally
7 stake free and that would Mr. Bill Gelcher (phonetic)
8 because he has put the law upon himself and not come
9 forward to be a part of this whole venture, at least
10 in a supervisory capacity.

11 And he will rise, he will move on after this
12 churns up here at Lake of the Torches. The only
13 consolation I have for that is he won't be rising up
14 in the ranks of casinos. He can only go to another
15 casino or a lesser casino than the one we got. The
16 fact that he has no record proving profits here at
17 Lake of the Torches; he is the only one that will rise
18 up out of this.

19 VICKI DOUD: Beverly?

20 BEVERLY: I think you are wrong there because
21 Bill is married to a Tribal member. He is not going
22 to jeopardize his wife's Tribe just to make himself
23 rise above others.

24 HAROLD JACKSON: Oh, I said in the legal

1 documents, it is written in there that he doesn't have
2 to be part of any of this so he will be free from any
3 blame whatsoever. He's taken very good care of
4 himself. He has not increased our profit margin, so
5 when he leaves us, the only consolation I have is that
6 he won't be going to a better casino, he will be going
7 to a lesser casino.

8 VICKI DOUD: He has improved the profit margins
9 annually every year.

10 HAROLD JACKSON: The only profit that Bill
11 Gelcher (phonetic) takes credit for every year is
12 because the sun rises every day and a few more kids
13 are of age to get in there to gamble. That's the only
14 profit and I have tracked that profit since Day 1 when
15 we had that casino. Every year a certain amount of
16 kids come of age to gamble and that's where our profit
17 comes from. It doesn't come from mishaps.

18 VICKI DOUD: Thank you. Myron you have had
19 your hand up, I will recognize you and then I am going
20 to call for a question.

21 MYRON DOUD: Okay, there's a couple of question.
22 The first question is: What's the length of this
23 consolidation? That's the first question.

24 BRIAN PIERSON: Five years.

1 MYRON DOUD: Five years? So if the deal goes
2 into receivership and then somebody comes and takes it
3 over like that Grand Soleil venture --

4 KEVIN SHIBILSKI: Grand Soleil is the LLC that --

5 MYRON DOUD: I think I am going to manage it
6 since that's casino revenue, we get our per capita --
7 that could be stopped by the LLC that runs (INAUDIBLE
8 45:52, TELEPHONE RINGING).

9 KEVIN SHIBILSKI: -- so you just pass it on to
10 them, they have to pay half of it; the other half is
11 your other partner. And you have the actual physical
12 assets and the revenues being made down there.

13 MYRON DOUD: So that if they do take over they
14 will have to pay.

15 KEVIN SHIBILSKI: The first thing that happens is
16 the bonds are instated. They just want their money
17 back. I think that's fair, they give you \$50 million
18 or \$40 million, whatever it is, and if you refuse to
19 pay them back.

20 VICKI DOUD: I want to call on the Resolution,
21 all those in favor, say aye.

22 ALL: Aye.

23 VICKI DOUD: Opposed.

24 ALL: Aye.

1 MADAME RESIDENT: Three opposed. Abstained? One
2 abstention, Resolution carried.

3 MURIEL FRALICK: May I just ask what our monthly
4 fees will be on that \$50 million?

5 KEVIN SHIBILSKI: The net effect is that you will
6 have cash, the debt will be at the same rate you are
7 at now, plus you get the million dollars.

8 MURIEL FRALICK: How much is it?

9 KEVIN SHIBILSKI: I don't have the number.

10 CARL EDWARDS: Can you get it and get it to
11 Muriel?

12 KEVIN SHIBILSKI: Yes.

13 MURIEL FRALICK: Can you get it tonight so that
14 everybody knows.

15 KEVIN SHIBILSKI: I will introduce the
16 Resolution, the Tribal Resolution approve the
17 guarantee, which is the second one on your sheet. It
18 starts out with approving Agreement and in lieu
19 waiver. Just two are left.

20 MIKE CHRISTENSEN: And these guys gave us \$50
21 million? Okay, I will bring some more white guys in
22 here and get some more money out of you.

23 CARL EDWARDS: The second one, Muriel, the second
24 one on top of that single sheet, it starts out

1 approving Agreement. This one here, do you see it
2 Muriel. I introduced and I need an adoption.

3 VICKI.DOUD: Muriel?

4 MURIEL FRALICK: I just want assurance that no
5 one has the authority in this resolution to borrow any
6 money for the Tribe based on one, you need four
7 signatures. Can you assure me that, that's not in
8 this Resolution?

9 **END OF TAPE 2 - SIDE B**

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1 **TAPE 3 - SIDE A**

2 MURIEL FRALICK: I just want assurance that it
3 says you cannot go and borrow \$2 million dollars
4 tomorrow based on anything in this resolution.

5 CARL EDWARDS: Offer the question.

6 VICKI DOUD: Questions been called for. All
7 those in favor say aye.

8 ALL: Aye.

9 VICKI DOUD: Opposed. Abstained.

10 TOM MAULSON: Which meeting are we in now,
11 Vickie?

12 VICKI DOUD: We are in all combined (phonetic).

13 TOM MAULSON: I will introduce a resolution that
14 we no longer borrow any more monies until our debts
15 are cleared.

16 MURIEL FRALICK: Second to that. Adopt.

17 BROOKS BIG JOHN: Second.

18 (INAUDIBLE, 0:54 TALK OVER)

19 TOM MAULSON: I would like to offer a question.

20 VICKI DOUD: Questions been called for. All
21 those in favor say aye.

22 ALL: Aye.

23 VICKI DOUD: Opposed. Abstained.

24 MALE SPEAKER: I want to ask to introduce a

1 resolution to -- I don't know where Myron is at, but
2 he is so worried about the \$5 million -- \$500 million
3 dollars because that seems to be the thorn in the
4 Tribe's side that -- I would like to introduce a
5 resolution that we apply to a referendum that will --
6 what do you call it, Weeders?

7 That we rescind that \$500 million dollars and
8 that any amount that we have to go -- any amount of
9 dollars that we have to go to any type of business
10 that we have to go to a full resolution or to a full
11 referendum that we get away from this thing because it
12 seems to haunt us always.

13 VICKI DOUD: It was binding.

14 TOM MAULSON: I know it was binding, yes, but for
15 whatever reason it's haunting everybody.

16 CARL EDWARDS: Adopt.

17 MURIEL FRALICK: Doesn't that cover any
18 corporations, also?

19 TOM MAULSON: Yeah, that means all that, any
20 entity.

21 MURIEL FRALICK: Any entity of the Tribe?

22 JOHN BROWN: Call for the question. Can you re-
23 read that?

24 KEVIN SHIBILSKI: Oh man, I don't have time to

1 reread that. I would say go to a referendum if you
2 want any money from --

3 VICKI DOUD: A referendum to rescind. A
4 referendum that approves the \$500 million for
5 authorization in gaming and any dollars that the Tribe
6 extend needs to go over the referendum including all
7 corporations.

8 MALE SPEAKER: Call for a question.

9 VICKI DOUD: Questions been called for. All
10 those in favor say aye.

11 ALL: Aye.

12 VICKI DOUD: Opposed. Abstained.

13 KEVIN SHIBILSKI: (INAUDIBLE, 3:06) Resolution
14 Number 5, (INADUIBLE, 3:10) approving the
15 consolidation of Lake of the Torches Casino under the
16 EDC, which is the 5th one and the last one.

17 VICKI DOUD: Resolution adopted and seconded.

18 TOM MAULSON: Call for questions.

19 VICKI DOUD: Questions been called for. All
20 those in favor say aye.

21 ALL: Aye.

22 VICKI DOUD: Opposed. Three opposed.
23 Abstained. One abstention.

24 CARL EDWARDS: Motion to adjourn.

1 VICKI DOUD: Second?

2 TOM MAULSON: I got one -- I got a question

3 on --

4 CARL EDWARDS: John seconded it.

5 VICKI DOUD: (INAUDIBLE, 3:54, TALK OVER) Tom,
6 you have a comment?

7 TOM MAULSON: Discussion, yes. I would like to -
8 - you guys need to deal with this thing. The ones
9 that weren't here. There's three of our Council
10 people that were here. Our Treasurer here has been
11 accosted today, and now being suspended by our
12 Administrator for doing something wrong which she did
13 --

14 VICKI DOUD: (INAUDIBLE, 4:13).

15 TOM MAULSON: I mean, I am making it an issue
16 here. I am saying that, that should not happen.

17 VICKI DOUD: You are out of order, Mr. Maulson.

18 TOM MAULSON: Well, I think they ought to know.

19 GILBERT "GIBBY" CHAPMAN: You're out of order,
20 Vickie.

21 MADAME PRESIDENT (INAUDIBLE, 4:27)

22 MURIEL FRALICK: You're out of order, Vickie.

23 (INAUDIBLE, 4:31, TALK OVER)

24 PACO OR CHRISTOPHER FRALICK: Continue what you

1 were saying.

2 VICKI DOUD: Let's get under -- are there any --

3 TOM MAULSON: I asked that the people to make a
4 motion.

5 FEMALE SPEAKER: Aye.

6 TOM MAULSON: Aye.

7 MALE SPEKAER: I oppose.

8 VICKI DOUD: The motion carries.

9 BROOKS BIG JOHN: I will make a motion that we
10 re-enter back into a forum here.

11 VICKI DOUD: The meeting has been adjourned. You
12 asked for a motion to adjourn and it's adjourned.

13 TOM MAULSON: No, no.

14 (INAUDIBLE, 5:05, TALK OVER)

15 CHRISTOPHER OR PACO FRALICK: I am ashamed of all
16 of you.

17 (INAUDIBLE, 5:31, TALK OVER)

18 CHRISTOPHER OR PACO FRALICK: It's already signed
19 and it's already approved.

20 GILBERT "GIBBY" CHAPMAN: Give it to Vickie.

21 MALE SPEAKER: Why did the Secretary leave?
22 Seriously.

23 (INAUDIBLE, 5:47, TALK OVER)

24 BEVERLY BAUMAN: I don't have any idea what

1 happened here today. It would have been all right
2 with me to listen because I don't know what happened.

3 (INAUDIBLE, 6:30, TALK OVER)

4 **END OF TAPE 3, SIDE A**

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1. TAPE 4 - SIDE A

2 (The meeting started at 17:22 minutes into the
3 tape. The telephone was dialed and placed on speaker
4 for all to hear.)

5 RICK LINDSLEY: Hey, Scott, this is Rick. I have
6 several members of the Tribal Council here with me. I
7 gave them a copy of the memo that you had sent out.
8 We are just going to talk about the liability of the
9 individual officers who are up for license review and
10 (INAUDIBLE 17:45), I would appreciate it.

11 SCOTT ANDREWS: Sure, hello everyone, good
12 morning.

13 ALL: Good morning.

14 SCOTT ANDREWS: The memo that we submitted to
15 Rick about liability of individuals with the
16 Commission there is essentially with every license
17 applicant there are individuals that have to be found
18 suitable to be associated with that gaming license.

19 And if the situation with the Tribe which is the
20 four Officers of the Tribal Council which are also
21 Officers of the Federal Development Corporation,
22 ordinarily if there is some sort of violation on the
23 level of the Licensee which would be (INAUDIBLE,
24 18:37), it would be Grand Soleil that would be fined

1 or disciplined as the entity and not the individuals
2 that are involved.

3 Unless there is a situation where the individual
4 is acting willfully or maliciously in convention of
5 the requirement that gives him control to act for the
6 Regulations of the Mississippi Gaming Commission; I
7 mentioned to Rick when we put this Amendment together
8 that in my experience we should stand in the offset of
9 gaming in Mississippi, I have only been involved in
10 one particular instance where there was a person was
11 bonded as opposed to a company.

12 And that was a situation where a third party that
13 had an equity ownership in a licensee incrementally
14 transferred that interest without getting prior
15 Commission approval and also did not notify the
16 licensee that he was transferring the venture. So the
17 licensee was really an innocent bystander in that
18 whole process. And the Commission recognized that and
19 instead bonded the unappreciated third party that had
20 an ownership interest. Is there something in
21 particular that I can address or that with which you
22 (INAUDIBLE, 20:20)?

23 RICK LINDSLEY: I am just opening it up for the
24 Council members, Scott, I don't know if you can hear

1 me, but if they have any question of you in
2 particular.

3 MR. BROOKS: I have a question for you, Scott,
4 this is Brooks Big John, here, good morning.

5 SCOTT ANDREWS: Good morning, how are you? I can
6 barely hear you all, by the way.

7 MR. BROOKS: This is Brooks, here. I am part of
8 the Tribal council.

9 SCOTT ANDREWS: Yes.

10 MR. BROOKS: The question I guess I have is that
11 we are talking about liabilities here. Now not only
12 are these Officers are liable, but I think that
13 everybody that's involved throughout the Corporation
14 will be held liable, won't they?

15 SCOTT ANDREWS: Which are the to?

16 DEE MAYO: The Tribal Council.

17 MR. BROOKS: There are 12 members of the Tribal
18 Council who wear another hat, Scott. We wear that hat
19 as Corporate Officers.

20 SCOTT ANDREWS: Right, the four members of the
21 Tribe, I am sorry, I am getting a lot of feedback now.
22 The four members of the Tribal Council, in my
23 understanding they are also the four Officers of the
24 Federal Development Corporation; they are one in the

1 same. Is that correct?

2 MR. BROOKS: Yes. They are also members of the
3 Council.

4 SCOTT ANDREWS: So we are talking about the same
5 four individuals here?

6 BROOKS BIG JOHN: Yes, we are.

7 RICK LINDSLEY: Does that open any liability to
8 the other eight non-officer Council members, Scott?

9 BROOKS BIG JOHN: I guess that's what I am
10 asking.

11 SCOTT ANDREWS: It does not because the
12 Commission really has no jurisdiction over them
13 because they are not holder of a finding of
14 suitability.

15 BROOKS BIG JOHN: Even though --

16 SCOTT ANDREWS: They are required to be
17 (INAUDIBLE, 22:11).

18 BROOKS BIG JOHN: Even though they are
19 Corporation members, Scott?

20 SCOTT ANDREWS: That's correct. Let's just say,
21 for example, that the Federal Government Corporation
22 violated a gambling law or a regulation in some
23 manner, the Commission, in all likelihood would fine
24 that Corporation in itself. Now if in investigating

1 the matter it was determined that one of the Officers
2 was acting in willful violation or defiant of the
3 Commission, then I could conceivably see how that
4 individual might be fined or have suitability be
5 impacted. But the other members of the Board, of the
6 Corporation, the other eight, once again, the
7 commission would have no jurisdiction over those
8 members individually.

9 BROOKS BIG JOHN: Have you had a chance to review
10 our Constitution, which is our Bible here?

11 SCOTT ANDREWS: I seen it, but I have not looked
12 at it for quite some time. Is there something in
13 particular that is related to the issue in that
14 document?

15 BROOKS BIG JOHN: Just that the familiarity,
16 being familiar with it, I guess, and in doing business
17 with the Tribe, I think it is important because their
18 Constitution is the Bible, okay. There is also other
19 Corporations that we are involved with, some have
20 incorporations, some have bylaws, articles of
21 incorporation, some have bylaws, and they kind of
22 bounds us in certain ways and how we act and what we
23 do.

24 But in my opinion, and it goes with an opinion of

1 one of our attorneys that, that document, I am talking
2 our Constitution, although we wear a separate hat as a
3 Corporate Officer, I guess what I am looking for is
4 basic clarification. You know, are we still subject
5 to our Constitution when we act as Corporate Officers?

6 SCOTT ANDREWS: You certainly are. You certainly
7 are subject to all of those requirements. However, if
8 you are confronted with a situation where you are
9 bound by the provisions of that Constitution, in those
10 (INAUDIBLE, 25:03) the requirements of Gaming Control
11 Act in the Regulations of the Gaming Commission, then,
12 I can't imagine a situation where that would happen.
13 But I guess presuming for this conversation that would
14 happen, that would certainly be a problem.

15 MR. BROOKS: Are you familiar with the Indian
16 Reorganization Act, Section 16?

17 SCOTT ANDREWS: I'm sorry, I'm not. Is there
18 something in particular that you are sorted out
19 that --

20 BROOKS BIG JOHN: It has to deal with
21 corporations, Scott and how we are able to take care
22 of business and operate under that particular hat that
23 we are wearing that day

24 SCOTT ANDREWS: Is that in some way conflicting

1 with the jurisdiction of the Mississippi Gaming
2 Commission and its ability to oversee the operations
3 of the Grand Soleil Development as well as
4 jurisdiction over the FDC and the Tribe?

5 BROOKS BIG JOHN: Let me tell you one thing,
6 Scott, if you're going to be advising us on certain
7 matters to this effect, I think you need to know this
8 IRA, I think you need to know Section 17, 16, they are
9 involved with the Indian Reorganization Act. I think
10 you need to be up to speed on our Constitution. I
11 think you need to see a couple of opinions out there
12 by Mr. Pierson and Mr. LaSieur and I think there is a
13 whole lot of stuff that you don't have before you.
14 Before you write a memo to this effect, and you start
15 explaining liability to us.

16 SCOTT ANDREWS: The purpose of the memo in my
17 charge was explaining liability under the Mississippi
18 Gaming Control ACT and the Regulations of the
19 Mississippi Gaming Commission, both of which I am
20 familiar. That was the purpose of the memo..

21 BROOKS BIG JOHN: Okay.

22 VICTORIA DOUD: I would like to clarify this is
23 Vicki Doud, that we are going into the venture as a
24 corporation, not under the auspices of the Tribe or

1 our IGRA, Indian Gaming Regulatory Act under the
2 regular operations of the regular Mississippi Gaming
3 Laws.

4 SCOTT ANDREWS: That's correct; you're entering
5 this casino development just as any other private
6 party would.

7 BROOKS BIG JOHN: But we are still bound by our
8 Constitution. I heard you say that.

9 VICTORIA DOUD: Yes, we are entering this as a
10 private party.

11 TOM MAULSON: Scott, this is Mr. Maulson. I just
12 got to reiterate other than the project, you know, Mr.
13 Big John and myself, we have looked at and talked to a
14 few attorneys out there and they indicated that we
15 need to have full disclosure of what's going on there
16 before we move forward.

17 There are particular areas we looked at and we
18 don't want to be shutting projects down. We want to
19 make sure that they are done right and that everybody
20 Brooks says needs to understand where we are coming
21 from. We are an Indian nation even though our
22 President has indicated we won't as individual but we
23 didn't as individual put monies into this project.

24 This was Tribal monies, which is owned by over

1 3000 Tribal members here so it is indirectly an
2 Indian-owned project. There are certain requirements
3 that take place in order for us to continue to go
4 forth in making this thing come to fruition.

5 I guess we need to be very clear in our
6 understanding and I guess that's why we are having
7 this meeting today to get a better handle on how --
8 you know, these are situations that could occur and
9 one of them is a fact that I was told, sitting in a
10 meeting with some other colleagues that indicated that
11 if we do have a Board of Directors that can't meet the
12 MICS of the Mississippi Gaming, you know, there is a
13 possibility that all the ones that took their license
14 and passed their license except for maybe one, you
15 know, could be for naught.

16 That means that we would probably have to sell
17 the interest of that particular boat or whatever, so I
18 would like to get some clarifications in that
19 particular area because, you know, this Tribe is
20 stuck, went out on a limb, you can call it that, to
21 borrow millions of dollars in order to make this
22 venture, you know, go.

23 SCOTT ANDREWS: I understand your question. It
24 is the usual and uniform practice of the Regulators

1 here, the Mississippi Gaming Commission, to -- when a
2 corporation that is affiliated with a project or and
3 LLC or whatever type of entity that the person that
4 control that corporation or entity have to be
5 individually licensed or what we most typically we
6 call bond suitable. In the corporation that is the
7 corporate officer is ordinarily President, Vice
8 President, Secretary and Treasurer.

9 Because the Federal Development Corporation owns
10 a portion of the casino entity and then the Federal
11 Development Corporation is in turn owned by the Tribe,
12 the governing body of those two entities had to go
13 through the suitability process.

14 And in negotiations with the Commission, we were
15 able to limit that to the officers only and not any of
16 the other directors. So in going through, in order
17 for the Federal Development Corporation and the Tribe
18 to maintain their respective bonding suitability their
19 officers also must maintain their suitability.

20 If there's a situation where one of the Tribal
21 officers cannot be found suitable, for instance if a
22 Tribal officer should have a felony conviction that
23 would be a bar to finding that person suitable and
24 that would therefore let suitability of the FDC and

1 the Tribe which would require one of two things.
2 Either that person would have to resign as an officer
3 and be replaced or the Tribe and the FDC would have to
4 disassociate from the casino project.

5 RICK LINDSLEY: Hey, Scott, right now the Board
6 of the FDC is the same as the Board or the Tribal
7 Council. I am assuming; I don't know if it is in the
8 constitution or the bylaws of the FDC that it states
9 that. Could the council out of their 12-member Board
10 select a President, Vice President, Secretary and
11 Treasurer of the Federal Development Corporation when
12 they enter into office? Could they, you know, select
13 those people as the Officers of that corporation,
14 therefore, those are peoples that be presented to the
15 application? Or does the Commission default back to
16 the Tribal council itself?

17 SCOTT ANDREWS: The commission often falls back
18 to the Tribe and the Tribal Council because the Tribe
19 owns 100 percent of the Federal Development
20 Corporation.

21 MURIEL FRALICK: Mr. Andrews, this is Muriel
22 Fralick, I am the new Treasurer of the Lac du Flambeau
23 Tribe.

24 SCOTT ANDREWS: Hi.

1 MURIEL FRALICK: Hi. I guess I am the thorn in
2 the side of this project because I have not decided at
3 this point if I am going to apply for the license. I
4 feel that there has been a lot of mistrust amongst our
5 Council members. There are two people on the Council,
6 I believe one staff member that has been making all of
7 the decisions on this project.

8 I have not been brought up to date on any of the
9 information surrounding Natchez. They have been
10 wiring out millions of dollars without my knowledge.
11 They feel that they have the authority based on old
12 resolutions that named the prior Tribal Treasurer.
13 And because this project has been ongoing and how we
14 got started -- our Constitution states that we cannot
15 venture into projects in excess of \$10,000 without a
16 referendum hold by our people.

17 And so I feel that we need to finally bring it to
18 the people for them to make a decision if they want to
19 proceed with this project. And so right now I am
20 leaning more towards not filling out an application at
21 this point. I feel everything is being pushed at us
22 to do this.

23 Your memo today has gotten to us and we have one
24 minute to look at it before we get you on phone call

1 to answer questions. And that's been the history of
2 this Council since I have been on: To not share
3 anything with the Council previous to the meetings,
4 let them read it, and decide at that point. I am very
5 uncomfortable with this, and that's my situation.

6 VICTORIA DOUD: I would like to make a
7 clarification on Mrs. Fralick's definition in the
8 Constitution which is talking about the limit for
9 referendum on \$10,000. It pertains to money held in
10 trust for the Tribe by Federal government. If you
11 want to clarify that, please, that's how our
12 Constitution reads.

13 MURIEL FRALICK: I beg to differ. This is out of
14 the LDFNews.com, Amendment 4, it says, and this was
15 adopted in June 19, 1959. To appropriate for Tribal
16 use any available, applicable Tribal funds provided.
17 That if any appropriations shall result in the total
18 appropriation for any fiscal year amounting to more
19 than \$10,000, such appropriation shall not be affected
20 until approved by popular referendum.

21 Now that's on our official Tribal website.

22 VICTORIA DOUD: That was in 1959?

23 MURIEL FRALICK: That's on here. That's on here.

24 VICTORIA DOUD: Well that's been amended, Muriel.

1 There has been an Amendment.

2 MURIEL FRALICK: That's a new one. Then you
3 better put the right Amendments on there so we know
4 what to go by. I have been asking for the
5 Constitution since I got on. I have been given a Blue
6 Book that are all dated; they are not official. I
7 have another one, and I am told it's not official. We
8 don't even have an official one. We have to have a
9 current Constitution.

10 VICTORIA DOUD: I need to get with (INAUDIBLE,
11 37:25).

12 BROOKS BIG JOHN: Scott, I got a question for
13 you.

14 SCOTT ANDREWS: Okay.

15 MR. BROOKS: This is Brooks, again. Would there
16 be any problem, for me to feel comfortable, Scott, as
17 to go forward, and Mr. Maulson explained we don't want
18 to be rally killers here or nothing, but I tell you
19 what, I need to have an understanding, and I guess
20 Muriel has said, too, of -- I would like to see full
21 disclosure. I would like to see where every nickel
22 that the Tribe has spent, where that went to, who got
23 their hands on it, how that happened. Whether through
24 wire transfers, through checks, however it's been

1 done. A lot of the correspondences through email,
2 through faxes, through telephone conversations for us
3 to feel comfortable as part of the Council, we need to
4 go ahead and be brought in as a team member and I
5 think full disclosure is not only asking for an
6 authorized -- I am going to require it.

7 So I tell you what, before anything, before I
8 step on board and start to feel comfortable with this
9 thing, I need to be appeased with all this
10 information. I think some of the other Council
11 Members that are here, too, would feel a lot more
12 comfortable if they seen such documents and were
13 explained to in this matter. I would hope you would
14 consider that.

15 SCOTT ANDREWS: I am certainly (INAUDIBLE, 38:53,
16 DOOR SLAMMED) with that and at least where I am
17 standing, I felt there has been full disclosure but,
18 you know, of course I am not standing there amongst
19 you and I don't know how information is disseminated
20 within your Tribal organizations.

21 MURIEL FRALICK: Mr. Andrews, this is Muriel,
22 again.

23 SCOTT ANDREWS: Hi.

24 MURIEL FRALICK: Hi. Right now the Mississippi

1 Gaming Commission is holding a license in the name of
2 an application in the name of Rose Mitchell who is
3 also our prior Treasurer, are we --

4 SCOTT ANDREWS: That application - given that
5 she is no longer Treasurer was requested to be
6 withdrawn and was in fact approved for withdrawal
7 (INAUDIBLE, 39:42,
8 LOUD BUZZING NOISE OVER VOICE).

9 MURIEL FRALICK: Can you tell me when that
10 happened?

11 SCOTT ANDREWS: The approval of withdrawal would
12 have occurred in December. I am sorry I don't have
13 that right in front of me. I would have to pull that
14 out of the file and I believe there was a month lag in
15 between the request for withdrawal and the approval of
16 the withdrawal.

17 MURIEL FRALICK: Okay, I was told I need to get
18 my application in here fairly soon in order to be
19 considered in February; is that correct?

20 SCOTT ANDREWS: Well there is no time frame set
21 right now. The normal process after the filing of an
22 application is that an investigator is assigned and
23 then the investigator will have compiled certain
24 background documents for inspection. Then an agent of

1 the Commission, an investigator, will travel and visit
2 with you and personally interview you during which
3 time they will review documents requested and then
4 come back to Jackson, Mississippi and prepare an
5 investigative report. The Executive Director would
6 then review the investigative report and make a
7 decision on the recommendations for suitability.

8 Nobody will be granted their suitability until
9 the license appears on the agenda for approval. It
10 will all happen at the same time. Based on
11 conversations with Commission. The time frame that
12 they looked at for approval of the license is the
13 March/April timeframe.

14 MURIEL FRALICK: Can you tell me, I don't know if
15 this is in your area or not, but because Mr. Cato, we
16 have been informed is not eligible for a Mississippi
17 Gaming License and he has been notified to that
18 effect, and because he will remain a partner in this
19 business venture, how will that affect getting a
20 Mississippi Gaming License if he is still a part of
21 the group?

22 SCOTT ANDREWS: If, and this goes for anybody who
23 is told that they will not be approved by the
24 Commission, they have two options. They can either

1 disassociate and withdraw their application, or if
2 they don't do that then they will be found unsuitable
3 by the Gaming Commission and their disassociation is
4 required by the statute.

5 MURIEL FRALICK: Is the disassociation with the
6 Natchez Grand Soleil?

7 SCOTT ANDREWS: Yes, complete disassociation from
8 the project. That means ownership, management,
9 anything.

10 MURIEL FRALICK: And what if he chooses not to go
11 that route?

12 SCOTT ANDREWS: And does what, instead?

13 MURIEL FRALICK: He chooses to keep his
14 percentage of ownership?

15 SCOTT ANDREWS: Well the Commission has the power
16 under the Act to take legal action and disassociate
17 him.

18 MURIEL FRALICK: And that's the Mississippi --

19 SCOTT ANDREWS: Until he disassociates then the
20 company's license application will be held up until
21 that happens.

22 TOM MAULSON: Mr. Andrews, Mr. Maulson, again. I
23 got one question here: Do we, and I guess part of the
24 Federal Development Corporation or the Lac du Flambeau

1 Tribe, is there just a special license down there just
2 for this here project that we have to have or is it
3 based on the four Commissioners that have to be
4 certified? Is there a Federal Development Corporation
5 license saying we have a place in Natchez right now?

6 SCOTT ANDREWS: Nothing has been granted yet, but
7 Grand Soleil Natchez, LLC, will have what's called a
8 Gaming Operator's License.

9 TOM MAULSON: Okay.

10 SCOTT ANDREWS: That's what they applied for.
11 Then associated with that there are several corporate
12 Finding of Suitability Applications: The Federal
13 Development Corporation, the Tribe, and Big River
14 Enterprises, as well as Mr. Cato's company. And then
15 associated with all of those entities are officers and
16 directors and majority shareholders that we discussed
17 earlier.

18 TOM MAULSON: So what -- I guess my question
19 would be: What are the chances of this corporation,
20 along with all our relationships with the different
21 entities in requiring a license at this here
22 particular time. What are -- is it good, is it bad
23 because of Cato being involved? Cause we -- how long
24 does it take to get a license of that nature? Cause

1 you understand we are spending millions of dollars
2 here and we are continuing to go forth, sort of
3 building a gaming site; we've got our boat, we are
4 hoping to be up and running by March of this year, I
5 am told. Is that a realistic time frame?

6 SCOTT ANDREWS: Well the Commission, even as late
7 as last week, has consistently said that they are
8 comfortable with the March/April time frame of
9 considering the project for licensure. Now, first of
10 all we have one application from Miss Muriel that
11 still has to be filed and investigated. So if that is
12 not done, that will result in delay.

13 Also the disposition of the Cato application
14 needs to be resolved and the Commission has informed
15 him as to deadlines in which to take care of certain
16 items or he will be placed on the agenda for finding
17 of unsuitability --

18 MURIEL FRALICK: What is that, now?

19 SCOTT ANDREWS: -- which is consistent with a
20 March/April time frame for consideration of a license
21 at Grand Soleil.

22 BROOKS BIG JOHN: Scott, Brooks here again. I
23 heard you mention a disassociation with Mr. Cato. I
24 guess I am asking: Under what grounds would this

1 Mississippi Gaming Commission be pushing on to get away
2 from Cato in the event that he doesn't want to get out
3 of this business venture with us?

4 SCOTT ANDREWS: I am sorry, is your question how
5 would I do that or why did I not find him suitable?

6 BROOKS BIG JOHN: I guess what grounds would the
7 Mississippi Gaming Commission have to disassociate
8 with Charles Cato?

9 SCOTT ANDREWS: Are you asking why did they want
10 to disassociate?

11 BROOKS BIG JOHN: What grounds would the
12 Mississippi Gaming Commission have to disassociate
13 with Charles Cato?

14 VICTORIA DOUD: If he is not suitable.

15 SCOTT ANDREWS: Once again, I don't understand if
16 you are asking why we need to disassociate or what --
17 how would they have the force to disassociate?

18 BROOKS BIG JOHN: I guess I am asking how they
19 would pursue, I guess, and maybe it's the Mississippi
20 Gaming Commission. You just told us here a little
21 earlier Scott that the Gaming Commission would file
22 suit to disassociate with Mr. Charles Cato.

23 SCOTT ANDREWS: I guess I had the authority under
24 the Gaming Control as to --

1 END OF TAPE 4 - SIDE A

2

3 TAPE 4 - SIDE B

4 TOM MAULSON: -- I want to make sure they are
5 right and we can make them right if everybody knows.
6 There is nothing to hide here and when it comes to our
7 people then we need to bring things to our people.
8 And that's why we get ourselves in the arguments and
9 we really have been praying hard to get out of, so I
10 mean, and this bothered me when you all went and gave
11 \$2 million dollars without my approval. Brooks did
12 approve.

13 DEE MAYO: You have to go back from the original
14 time of this projects, and Tom, you have been at a lot
15 of those. Don't sit there and say you have not been
16 included.

17 TOM MAULSON: I am not saying I wasn't included.
18 I haven't been included in all of the stuff and
19 certain people have.

20 DEE MAYO: A lot of US weren't for a lot of
21 projects that we didn't get elected on. We play
22 catch-up and review all the minutes and bring us up to
23 speed because there are projects that have been going
24 on. You have been here two years, three years, Tom.

1 You are very well aware --

2 VICKI DOUD: Order. (INAUDIBLE, 1:23,
3 MICROPHONE MUFFLED)

4 BROOKS BIG JOHN: Scott, Brooks here, again.

5 SCOTT ANDREWS: Yes.

6 BROOKS BIG JOHN: A couple of things, how do
7 these court cases that Cato has against the
8 Corporation affect our, I guess, our moves to go
9 forward?

10 SCOTT ANDREWS: Well as long as the Commission is
11 concerned, the Commission has indicated that the fact
12 that litigation is pending will not, in order to be a
13 barrier, to be reconsidered for licensure.

14 RICK LINDSLEY: With that, Brooks, I am not aware
15 of any Resolution that Charles has to (INAUDIBLE,
16 1:58). The last litigation that he had was dismissed
17 in the Iowa Court. We have a lawsuit against him in
18 New Orleans.

19 BROOKS BIG JOHN: How will that lawsuit that we
20 have in New Orleans affect our move to go forward?

21 RICK LINDSLEY: As Scott said, the Gaming
22 Commission is aware of the pending litigation; is that
23 correct, Scott?

24 SCOTT ANDREWS: I couldn't quite hear your

1 response, but the litigation having to do with the
2 insurance per se?

3 RICK LINDSLEY: Yes.

4 SCOTT ANDREWS: No, the provision though is
5 entirely an internal matter and that's not going to
6 impact the ability to move forward, to be considered
7 (INAUDIBLE, 2:46).

8 BROOKS BIG JOHN: I guess I have one more
9 question, while my thing is that after reading Project
10 Osprey in regards to Cato, there are about 36
11 different things that was either thrown out of court
12 or that he was slammed with. It is hard to trust a
13 man like that.

14 I don't know how we got into bed with him in the
15 first place, but let me ask you a question about his
16 father and his availability to some of these licenses
17 in Mississippi. Mr. Cato's father, are you aware of
18 what they have done in the past and what they may try
19 and do in the future if Charles is not provided a
20 gaming license in Mississippi?

21 SCOTT ANDREWS: I have heard various things about
22 that but I think it is all speculation at this stage.
23 As far as what they have done in the past, I have
24 heard various stories that -- none of which have ever

1 been the same so I am not sure what the factual
2 situation would be. I can tell you that his father
3 does hold a current signing of suitability in
4 Mississippi.

5 BROOKS BIG JOHN: He does. For what project or
6 what operation? Do you know the name of that?

7 SCOTT ANDREWS: It was -- there's a company
8 called Rainbow Entertainment.

9 BROOKS BIG JOHN: Rainbow Entertainment?

10 SCOTT ANDREWS: Right, Rainbow Entertainment,
11 Inc., which is owned primarily by his father. Both
12 his father and Rainbow Entertainment both hold current
13 signing suitability and because Rainbow Entertainment
14 owns a 20 percent interest in a casino in Greenville,
15 Mississippi called the Lighthouse Point Casino.

16 BROOKS BIG JOHN: What is that called, the
17 Lighthouse Point?

18 SCOTT ANDREWS: Lighthouse Point.

19 BROOKS BIG JOHN: Just one more question about
20 where I am from down here. I would like to get your
21 email, Scott. I would like to get your phone number,
22 your address and your fax number.

23 SCOTT ANDREWS: Okay. Would you like me to send
24 that to you or tell you over the phone?

1 BROOKS BIG JOHN: Right now. I need to write it
2 down.

3 SCOTT ANDREWS: All right, my email address is -

4 VICKI DOUD: Wouldn't you rather have it in
5 writing, Brooks?

6 BROOKS BIG JOHN: I'd rather have it right now,
7 Vickie. Go ahead, Scott, I am listening.

8 VICKI DOUD: We have it right here.

9 BROOKS BIG JOHN: Just so I get the right one,
10 Scott, I'd rather have it from you.

11 VICKI DOUD: That's his private information and
12 he gave it to us right here.

13 BROOKS BIG JOHN: I don't see how private it is.
14 Scott, I would like to have it from you because like I
15 said, I have not, and some of the other Council
16 members have not been provided a lot of the
17 information, half the truth, like Paul Harvey says on
18 the radio every day: Here's the rest of the story. I
19 would like to get your email, your phone number, your
20 address and your fax number right from your mouth.
21 Scott?

22 SCOTT ANDREWS: Given that this is a public
23 meeting where there is a disagreement among Council
24 members, I am hesitant to do so. My information has

1 not changed in the last 5 years so any of the
2 information you would have been provided with is
3 accurate.

4 BROOKS BIG JOHN: Can you at least give me your
5 phone number so I can call you back and get it.

6 VICKI DOUD: We can provide that for him,
7 Scott.

8 BROOKS BIG JOHN: Oh, come on Vickie don't start
9 fighting.

10 VICKI DOUD: Why do you need it public?

11 BROOKS BIG JOHN: Quit hiding stuff, Vickie.

12 VICKI DOUD: (INAUDIBLE, 6:43) and I am not
13 hiding anything. Macker, you can calm down back
14 there.

15 BROOKS BIG JOHN: Scott, I will get the phone
16 number through other sources and I will be calling you
17 later.

18 SCOTT ANDREWS: I understand you got handed with
19 what they provide you.

20 BROOKS BIG JOHN: Yeah, I don't know how truthful
21 it is, but we will see.

22 MURIEL FRALICK: This is Muriel again and I have
23 a couple of more questions. As a Corporate Officer of
24 the Board or Grand Soleil, am I going to be subject to

1 criminal or civil lawsuits?

2 SCOTT ANDREWS: From what type of activity? I
3 mean, such as the common slip and fall type liability
4 on the project in Natchez?

5 MURIEL FRALICK: Any possibilities?

6 SCOTT ANDREWS: Well there is always the
7 possibility that somebody can sue someone else and sue
8 an officer along with a corporation that happens all
9 the time. But the real question is: Do they have
10 standing to actually sue you and will it hold up? And
11 unless there has been -- unless there has been -- you
12 have violated a law in the exercise of your duties or
13 have committed some sort of personal malpractice in
14 exercising your duties, that answer would be, no, you
15 would not be subject to liability. However, that's a
16 (INAUDIBLE, 8:14) somebody states to.

17 MURIEL FRALICK: If a Tribal member feels that I
18 am negligent down there because as officer I am not
19 providing them with their information that they need
20 or they might feel that I'm misappropriating funds or
21 whatever down there, do they have the right to sue me
22 as an officer of that corporation?

23 MURIEL FRALICK: This is Muriel again and I have
24 file suit and do whatever they want, but will it stand

1 up is the question.

2 MURIEL FRALICK: Do we need to be bonded to be in
3 that position beyond what we are bonded through the
4 Tribal indemnity insurance?

5 SCOTT ANDREWS: Well as long as you insurance
6 policy covers your activities as a member, as an
7 Officer of the FDC and the Tribe, I would say that
8 would be adequate because my information is that you
9 will not be an Officer or a Director of the Grand
10 Soleil Project.

11 MURIEL FRALICK: What position are we holding
12 then? Are we just a name on a piece of paper, yet we
13 will have a say?

14 SCOTT ANDREWS: The Economic Development
15 Corporation owns 40.05 percent of Grand Soleil
16 Natchez, LLC.

17 RICK LINDSLEY: Actually, Scott and Muriel with
18 that, Vickie is the -- Bill is the President; Vickie
19 is the Vice Chair, and Muriel you would be the
20 Treasurer/Secretary of the Grand Soleil Corporation.
21 Once you assume that title, Grand Soleil actually does
22 have insurance for Officers and Directors of the
23 Company so you would fall under that coverage, the
24 same type of coverage that you as a Council member

1 have here on the Tribe -- that important Mattson,
2 whatever their name is.

3 MURIEL FRALICK: As Secretary/Treasurer then of
4 that organization, what are my duties and my
5 responsibilities; is that defined anywhere? Or can
6 anyone answer that?

7 RICK LINDSLEY: Well I will go back to the
8 minutes of the meeting and get that information for
9 you. That first meeting was held, the Corporation
10 meeting was to reserve (INAUDIBLE, 10:58).

11 CHRIS FRALICK: Have you looked in minutes or
12 actually the Bylaws or something?

13 RICK LINDLSEY: There were Bylaws that were
14 lumped out of that, Chris.

15 CHRIS FRALICK: So why do we have to go back to
16 the minutes if there were Bylaws?

17 RICK LINDLSEY: I'm sorry I will have to go back
18 to the Bylaws.

19 MURIEL FRALICK: I have one other question. If
20 the Corporation, would the Grand Soleil be protected
21 against any investor past or future liabilities such
22 as liens or judgments? Can the judgments transcend to
23 the Corporation's assets, if so, can these judgments
24 tie up all investors' equity in the Corporation until

1 that judgment is satisfied?

2 SCOTT ANDREWS: Is that a question for me?

3 MURIEL FRALICK: Yes.

4 SCOTT ANDREWS: Would you please repeat it?

5 MURIEL FRALICK: Is the Corporation protected
6 against any of the investors' past or future
7 liabilities such as liens or judgments and can these
8 judgments transcend to the Corporation's assets? If
9 so, can these judgments tie up all of the investors'
10 equity in the Corporation until that judgment or lien
11 is satisfied?

12 SCOTT ANDREWS: Are you asking if the Federal
13 Development Corporation as that can be impacted by
14 liens or judgments against the other investors in
15 Grand Soleil Natchez?

16 MURIEL FRALICK: Yes.

17 SCOTT ANDREWS: That doesn't have anything to do
18 with Grand Soleil Natchez or the Federal Development
19 Corporation?

20 MURIEL FRALICK: I'm sorry can you clarify that?

21 SCOTT ANDREWS: These liens and judgments of
22 these other investors don't have anything to do with
23 the activities of Grand Soleil Natchez or the Federal
24 Development Corporation?

1 MURIEL FRALICK: Yes.

2 SCOTT ANDREWS: They do not?

3 MURIEL FRALICK: If they don't -- if they are
4 independent.

5 SCOTT ANDREWS: I don't see how they could.

6 RICK LINDSLEY: So for instance, if Bill had a
7 lien against one of his warehouses could that affect
8 the Corporation?

9 MURIEL FRALICK: Right. Yes.

10 RICK LINDSLEY: I don't know if you heard that,
11 Scott?

12 SCOTT ANDREWS: Yeah, I heard the example. I
13 don't see how it could.

14 MURIEL FRALICK: Well I have been in business and
15 I have had that happen where we were in a partnership
16 corporation and another investor had a lien on another
17 property. They attached it to our business and we
18 could not sell our business until that lien was
19 satisfied. I don't know if Mississippi is different
20 from Wisconsin, but I know for a fact that, that has
21 happened here.

22 SCOTT ANDREWS: That could be attached to --
23 let's say it's an investor in the Natchez, LLC
24 Project, well yes, then they could attach on the

1 ownership interest of the investor in the Natchez
2 Project but that would not impact the Federal
3 Development Corporation.

4 VICKI DOUD: Tom?

5 TOM MAULSON: Scott, do we own that property down
6 there? Do we own all of the Briars? Do we own all of
7 the property where the development is going on now?

8 SCOTT ANDREWS: Yes, the real property is in the
9 name of Emerald Star Natchez, LLC which the name has
10 now changed to Grand Soleil, LLC.

11 TOM MAULSON: Cato don't have nothing to do with
12 that property down there.

13 SCOTT ANDREWS: Well, he owns part of the LLC,
14 currently, and he has claimed that, I don't know if it
15 can be substantiated or not about various portions of
16 the property.

17 TOM MAULSON: So it is not really clear then?

18 RICK LINDSLEY: Tom, it is clear in the Operating
19 Agreement.

20 SCOTT ANDREWS: (INAUDIBLE, 15:00, TALK OVER)
21 operated thus far, so I can't really speak to that.

22 RICK LINDSLEY: Scott, correct me if I am wrong,
23 it's clear in the operating agreement that Cato did
24 transfer that property into the LLC, correct?

1 SCOTT ANDREWS: That's correct.

2 VICKI DOUD: But not the Tribe individually
3 owning it, it's the LLC that owns it.

4 MURIEL FRALICK: And where can we get a copy of
5 this operating agreement that we have not evidently
6 been given, do you have that?

7 RICK LINDSLEY: I have a copy of the signed one.
8 I can give that to you.

9 MURIEL FRALICK: I have no more questions for
10 him.

11 RICK LINDSLEY: Are there any more questions for
12 Scott, then?

13 MALE SPEAKER: No.

14 RICK LINDSLEY: Tom and Brooks?

15 BROOKS BIG JOHN: Just one more, just checking
16 here, this address at Vault.com, 401 East Capital
17 Street, Suite 200, Jackson, Mississippi, 39201-2608;
18 877-313-6055; is that how we get a hold of you?

19 SCOTT ANDREWS: That is all correct.

20 BROOKS BIG JOHN: All right, my friend, thank
21 you.

22 SCOTT ANDREWS: Okay.

23 RICK LINDSLEY: Scott, thank you for your time.

24 SCOTT ANDREWS: Thank you.

1 TOM MAULSON: You know I want to make it clear, I
2 didn't know you guys wired that money the other
3 Friday. You said that the Council authorized it.
4 Maybe we need to know the names of the people that
5 authorized it because I wasn't one of them.

6 We were in the process of working those types of
7 things out until we come to that issue and
8 everything -- all hell broke loose in the office. I
9 just felt we needed to be a party to all this here
10 stuff going on because I think it took the whole
11 governing body here is needed to authorize a transfer
12 of that particular nature.

13 Once again, even though there was an old
14 resolution, you know, that was there and I guess we
15 just -- it takes seven people to do that.

16 VICKI DOUD: Resolution 138(07) adopted on July
17 9th of 2007: Be it resolved that this Council in
18 rescheduled regular sessions assembled hereby
19 authorize (inaudible, 17:54) by CVB (Chippewa Valley
20 Bank) Terms and Conditions set forth by CVB be it
21 further resolved FDC, to diversify, expand financial
22 goals, tribe authorizes Chairperson Victoria Doud and
23 Dee Mayo, Vice Chairperson, to act as signatories on
24 behalf of the tribe in banking transactions as may be

1 required to secure finances. And authorized to
2 include the lines of credit approved to it has to be
3 amended.

4 CARL EDWARDS: Sure, let's do it.

5 BROOKS BIG JOHN: Do you want to read the other
6 one that goes with it, Vickie? Resolution 207 (07)

7 DEE MAYO: They don't become null and void, need
8 to rescind them.

9 BROOKS BIG JOHN: I don't see how money can be
10 wired out without an amendment or a proper resolution,
11 Vickie. That's I guess where the question Tom comes
12 from. When we look at that and we don't have a proper
13 resolution, do you start wiring money?

14 VICKI DOUD: We have a proper resolution.

15 BROOKS BIG JOHN: No, that's not a proper
16 resolution.

17 (INAUDIBLE, 19:44, TALK OVER)

18 MURIEL FRALICK: You have to rescind the
19 Resolution. I can't see when any Council would
20 authorize one person, the authority to wire, to loan
21 or borrow \$2 million dollars on one signature and have
22 it wired out directly from the banking from the
23 banking institution. Wired out to Natchez, never cam
24 through the Treasurer who is supposed to be the

1 custodian of all the funds. Never did our accounting
2 books, there is no internal controls when you are able
3 to do that.

4 (INAUDIBLE, 20:25, TALK OVER)

5 CHRISTOPHER FRALICK: The Tribal Council never
6 gave the Federal Development Corporation the authority
7 to do that.

8 LIL MACKER BESON: And we don't give authority to
9 (INAUDIBLE, 20:38, TALK OVER) and you have to go
10 through her to get the authorization from the
11 Treasurer to disperse any money. It is in the
12 Constitution.

13 BROOKS BIG JOHN: Question. Resolution 2(07)
14 Lake of the Torches Development Corporation states:
15 Be it resolved by the Board of Directors of the
16 Corporation, that Victoria Doud as President of the
17 Corporation and Rose Mitchell as Treasurer of the
18 Corporation are hereby authorized and empowered to
19 execute and deliver on behalf of the Corporation such
20 guarantees as may be required, contemplated or deemed
21 necessary by the President and Treasurer in order to
22 secure construction loans, operating capital loans, or
23 lined up credit from any financial institution for the
24 benefit of Emerald Star for which the Corporation is a

1 member.

2 On such terms as Emerald Star Casino is deemed a
3 valuable to achieve the economic purposes of the
4 Corporation and Emerald Star. Okay, what it talks
5 about in there is it says Vickie and Rose.

6 It doesn't say Vickie and/or Rose; Vickie alone,
7 Rose alone, no. When you start looking at things,
8 start deciphering out that you can act on resolutions
9 like this and start wiring off \$2 million dollars, I
10 think it's a bunch of bullshit.

11 MADAME PRESIDENT (INAUDIBLE, 22:06)

12 BROOKS BIG JOHN: That's what it is called.
13 Running amuck, you mentioned it before, Vickie.
14 That's what's going on here.

15 MURIEL FRALICK: Excuse me, but the certification
16 also states, and this certification is signed by Rose
17 Mitchell so this could have been developed just
18 between Rose and Vickie alone. That does not state
19 how many people voted, we don't know who attended
20 that, it just says that a quorum set forth. It
21 doesn't state who or how many voted for it or nothing.
22 And because we have no recordings of anything there is
23 no way to validate that this is even authentic.

24 BROOKS BIG JOHN: That's what you call running

1 amuck.

2 VICKI DOUD: I have a question for Muriel.

3 MURIEL FRALICK: Go ahead, ask me anything you
4 want.

5 VICKI DOUD: If you are not in favor of this
6 project and you are not going to be acting in the best
7 interest (INAUDIBLE, 23:04, TAPE BUZZING).

8 BROOKS BIG JOHN: What do you suggest? Do as
9 Carl said, remove her?

10 VICKI DOUD: The purpose, no.

11 BROOKS BIG JOHN: Is that the answer? That's
12 what Carl said the other day, maybe we should remove
13 you. That's a bunch of bullshit, too.

14 CARL EDWARDS: I didn't quite word it like that.

15 BROOKS BIG JOHN: Yes, you did, a bunch of
16 bullshit. I am sick of this shit, man.

17 VICKI DOUD: What we are doing is trying to move
18 ahead and make improvements and get money from --

19 BROOKS BIG JOHN: On your own, Vickie. It takes
20 a team to do it and it takes people behind us to do
21 it. When you get away from the people you are doing
22 things on your goddamn own self and that's where you
23 are getting in trouble and that's a bunch of bullshit.

24 VICKI DOUD: No, I am not. I've got a

1 resolution supporting it.

2 MURIEL FRALICK: That resolution, I believe is
3 unlawful. I believe you have broken some laws. And
4 the reason I say --

5 VICKI DOUD: On behalf of the Tribe, all yours
6 were there.

7 MURIEL FRALICK: You asked me why I am not going
8 for this. I told you why: The people have not
9 approved of it. The people have not been a part of
10 this from Day 1 and it is time the people have a voice
11 and any of the money that is going out, especially the
12 millions that you are looking at.

13 You want to attach \$20 million dollars to a \$30
14 million dollar debt consolidation that we originally
15 wanted. Now we got to look at taking on \$20 million
16 when we cannot even pay the loans we have. Why do you
17 think we have to consolidate? We are consolidating
18 because we can't pay our bills.

19 CHRISTOPHER FRALICK: Carl, you had the nerve to
20 advise staff not to inform the Council? What right do
21 you have?

22 LIL MACKER BESON: I think the Feds ought to step
23 in.

24 CARL EDWARDS: So are we done?

1 MURIEL FRALICK: No, I have a lot of questions.
2 A lot of questions on things that should have been
3 brought before us prior to this meeting, a lot of
4 things that Mr. Lindsley has not shared with us. I
5 don't know if that was his decision or if that was a
6 collaboration between Carl, Dee and rest of the
7 Council or whoever, but I am not the only one, I
8 believe, that has not been privy to the information
9 that we need to make educated decisions.

10 And Mr. Lindsley told me himself at an Executive
11 Board Meeting when I asked: When is this information
12 going to be given to the Council? Oh, I don't give
13 them all this information. I only give it to them
14 when I am ready.

15 That's not right. We are a 12-member Council.
16 We are elected by the people. We are not a one-
17 member, two-member Council that are going to make all
18 the decisions for the Tribe, and I believe that's why
19 we were put here. Let us take part in it.

20 VICKI DOUD: (INAUDIBLE 26:00)

21 MURIEL FRALICK: Yeah, after the fact. Now you
22 want to push it through. You want to, by tonight,
23 make all these, to back all these resolutions and
24 borrow all this money. Yeah, when you are old and you

1 don't know what's going on -- so what. You want to
2 borrow money like that? You better educate yourself.

3 LIL MACKER BESON: I am getting so frickin' and
4 goddam need relying on you. Forget it already.

5 GOLDIE LARSON: Your guys spending is out of
6 control.

7 MURIEL FRALICK: You could have kept us informed.

8 (INAUDIBLE, 26:47, TALK OVER)

9 VICKI DOUD: I will be there. It will be good
10 for the people.

11 BETTY JACK: Vickie, you were made Chairman to
12 act on behalf of all Lac du Flambeau Tribal members
13 including yourself and your --

14 VICKI DOUD: I am trying to bring money into --
15 so we can all have a better life.

16 CHRISTOPHER FRALICK: Excuse me --

17 BETTY JACK: I am talking to you. You were
18 elected to act on behalf of the people and you have
19 engaged in a business venture where the land isn't
20 even --

21 GOLDIE LARSON: Run out, everybody run home.

22 (INAUDIBLE, 27:20, TALK OVER)

23 GOLDIE LARSON: They are all crooks, if that's
24 the case.

1 LIL MACKER BESON: Well I think the Feds are on
2 to something. Have you and the rest of the people
3 that are involved in that bullshit already -- I think
4 that (INAUDIBLE, 27:53).

5 CHRISTOPHER FRALICK: Have you read any documents
6 on it?

7 VICKI DOUD: I know of --

8 CHRISTOPHER FRALICK: Because if you did --

9 VICKI DOUD: I know about it.

10 CHRISTOPHER FRALICK: Did you read? Because if
11 you didn't read all about it -- (INAUDIBLE, 27:59)

12 (INAUDIBLE, 28:13, TALK OVER)

13 MURIEL FRALICK: How much money have we put into
14 Natchez; do you know?

15 VICKI DOUD: No, I don't.

16 MURIEL FRALICK: You don't know? Millions of
17 dollars, you don't know that we've got \$16 million
18 dollars already stuck into Natchez; you don't know
19 that? You're the Administrator. You're the Head of
20 this Tribe. You should know where all of our money
21 is.

22 CHRISTOPHER FRALICK: Do you know that Weeders?
23 There is \$16 million dollars stuck in Natchez?

24 MURIEL FRALICK: Somebody that knows what's going

1 on, those are major things, Vickie.

2 (INAUDIBLE, 28:50)

3 TOM MAULSON: Did you know about that \$2 million
4 dollars here, Friday before we got that thing?

5 TOM MAULSON: No, I didn't. I have been trying
6 to get a hold of Vickie for this.

7 (INAUDIBLE, 29:05, TALK OVER)

8 TOM MAULSON: Even when I came in, legally nobody
9 talked to me about nothing (INAUDIBLE, 29:09) a
10 million from Chippewa Valley. I never (INAUDIBLE,
11 29:12, TALK OVER)

12 GILBERT "GIBBY" CHAPMAN: We need a stand on
13 this, Weeders.

14 (INAUDIBLE, 29:59, TALK OVER)

15 GERALDINE BROWN "WEEDERS": We disagree, whatever
16 we do. We might as well disagree; we have been for
17 years, whatever the Council wants to do. It will
18 never change. No matter what we do, you guys will be
19 against it. Every Referendum, no matter what it is --

20 (INAUDIBLE, 30:18, TALK OVER and YELLING)

21 **END OF TAPE 4 - SIDE B**

22

23

24

1 STATE OF ILLINOIS)

2) SS:

3 COUNTY OF COOK)

4

5 I, VICTORIA E. ROCK, Notary Public, do hereby
6 certify that I caused this audio recording to be
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8 I further certify that the foregoing is a true
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20

21



22 VICTORIA E. ROCK

23

24



